

## SENATE BILL No. 51

By Committee on Commerce

1-21

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1 AN ACT concerning sales taxation; relating to economic development;  
2 providing a sales tax exemption for the construction or remodeling of a  
3 qualified data center in Kansas, the purchase of data center equipment,  
4 eligible data center costs and certain labor costs to qualified firms that  
5 commit to a minimum investment of \$250,000,000 and meet new  
6 Kansas jobs and other requirements; amending K.S.A. 2024 Supp. 79-  
7 3606 and repealing the existing section.  
8

9 *Be it enacted by the Legislature of the State of Kansas:*

10 New Section 1. For purposes of sections 1 through 3, and  
11 amendments thereto:

12 (a) "Commencement of construction" means the date that  
13 construction, reconstruction, enlargement or remodeling of a qualified data  
14 center by a qualified firm commences, as determined in the agreement  
15 required by section 2, and amendments thereto.

16 (b) "Commencement of operations" means the date that the qualified  
17 firm commences operations at a qualified data center, as determined in the  
18 agreement required by section 2, and amendments thereto.

19 (c) "Data center equipment" means equipment or software purchased  
20 or leased for the processing, storage, retrieval or communication of data,  
21 regardless of whether the property is or is not affixed to or incorporated  
22 into real property, including the following:

23 (1) Servers, routers and connections and computer equipment,  
24 monitoring and security equipment or systems;

25 (2) equipment used in the operation of the qualified data center,  
26 including, but not limited to, component parts, installations, refreshments,  
27 replacements and upgrades;

28 (3) all equipment necessary for the transformation, generation,  
29 distribution or management of electricity that is required to operate  
30 computer server equipment and ancillary facilities, including, but not  
31 limited to, substations, generators, uninterruptible energy equipment,  
32 supplies, conduits, fuel piping and storage, cabling, duct banks, switches,  
33 switchboards, batteries, testing equipment and backup generators;

34 (4) all equipment necessary to cool and maintain a controlled  
35 environment for the operation of the computer servers and other  
36 components of the qualified data center, including, but not limited to,

1 chillers, mechanical equipment, refrigerant piping, fuel piping and storage,  
2 adiabatic and free cooling systems, cooling towers, water softeners, air  
3 handling units, indoor direct exchange units, fans, ducting and filters;

4 (5) all water conservation systems, including facilities or mechanisms  
5 that are designed to collect, conserve and reuse water;

6 (6) all computer server equipment, chassis, networking equipment,  
7 switches, racks, fiber optic and copper cabling, trays and conduit;

8 (7) all conduit, ducting and fiber optic and copper cabling directly  
9 related to connecting one or more distributed qualified data center  
10 locations regardless of whether located inside or outside a data center;

11 (8) modular data centers and preassembled components of any item  
12 described in paragraphs (1) through (7), including components used in the  
13 manufacturing of modular data centers;

14 (9) all software; and

15 (10) other personal property that is essential to the operations of a  
16 qualified data center, excluding such property used in the administration of  
17 the qualified data center.

18 (d) "Department" means the department of commerce.

19 (e) (1) "Eligible data center costs" means expenditures for the  
20 development, acquisition, construction and operation of a qualified data  
21 center by a qualified firm, including, but not limited to, costs of land,  
22 buildings, site improvements, modular data centers, data center equipment,  
23 data center equipment acquisition and permitting, lease payments, site  
24 characterization and assessment, engineering and design used directly and  
25 exclusively for a qualified data center.

26 (2) "Eligible data center costs" does not include the cost of electricity.

27 (f) "New jobs" means newly created jobs with a qualified firm at a  
28 qualified data center or directly associated with a qualified data center  
29 filled by Kansas residents and the primary work locations of such jobs are  
30 in Kansas.

31 (g) "Qualified data center" means one or more buildings that are  
32 constructed, reconstructed, enlarged or remodeled to house a group of  
33 networked computer servers in this state to centralize the storage,  
34 management and dissemination of data and information pertaining to a  
35 particular business, taxonomy or body of knowledge and such buildings  
36 are connected to each other by fiber and associated equipment required for  
37 operating a fiber transmission network between data center buildings and  
38 internet points for the purpose of providing redundancy and resiliency for  
39 the data center services provided in each building.

40 (h) "Qualified firm" means a business or an affiliate thereof that is  
41 registered with the secretary of state and is engaged in data processing,  
42 storage and dissemination.

43 (i) "Secretary" means the secretary of commerce.

1 New Sec. 2. (a) A qualified firm that makes an investment in a  
2 qualified data center of at least \$250,000,000 in the aggregate by the fifth  
3 year of operations and creates and maintains at least 20 new jobs at the  
4 qualified data center within two calendar years after the commencement of  
5 operations shall receive a sales tax exemption, as provided by K.S.A. 79-  
6 3606(xxxx), and amendments thereto, and section 3, and amendments  
7 thereto, for:

8 (1) Eligible data center costs of the qualified data center; and

9 (2) labor services to install, apply, repair, service, alter or maintain  
10 data center equipment.

11 (b) To be eligible to receive such sales tax exemption, a qualified firm  
12 shall:

13 (1) Submit an application to the secretary in the form and manner as  
14 required by the secretary;

15 (2) commit to an investment of at least \$250,000,000 in the qualified  
16 data center, to be completed by the fifth year of operations or on such  
17 earlier date as specified in the agreement pursuant to paragraph (4);

18 (3) commit to begin construction of the project within 10 years of the  
19 date of the agreement with the secretary or on such earlier date as specified  
20 in the agreement pursuant to paragraph (4); and

21 (4) if the application is approved by the secretary, enter into an  
22 agreement with the secretary upon such terms and conditions as the  
23 secretary may require, including the commitments or conditions required  
24 by paragraphs (2) and (3) and subsections (c) and (d)(1) and (2). The  
25 agreement shall be entered into before any sales tax exemption may be  
26 provided under this act.

27 (c) If it is determined by the secretary that the qualified firm has  
28 breached a term or condition of the agreement, the secretary shall provide  
29 written notice to the qualified firm as to which terms or conditions were  
30 breached and allow the qualified firm 120 days to cure the breached terms  
31 or conditions. If the breached terms or conditions have not been cured  
32 within such time, the secretary may require the qualified firm to repay all  
33 or a part of the amount of the sales tax exemption received, terminate the  
34 sales tax exemption or suspend all or a part of the sales tax exemption until  
35 the breach is cured.

36 (d) As a condition of receiving the sales tax exemption, a qualified  
37 firm shall agree to:

38 (1) Cooperate with audits undertaken by the secretary of revenue as  
39 provided by subsection (f); and

40 (2) provide the secretary of commerce information required:

41 (A) For publication in the economic development incentive program  
42 information database pursuant to K.S.A. 74-50,226, and amendments  
43 thereto;

1 (B) for the secretary's report pursuant to K.S.A. 74-50,320, and  
2 amendments thereto; and

3 (C) by the secretary of commerce or the secretary of revenue pursuant  
4 to subsection (e)(1).

5 (e) (1) Every five years, the secretary may conduct a review of the  
6 activities undertaken by a qualified firm to ensure that the qualified firm  
7 remains in good standing with the state, is in compliance with the  
8 provisions of this act, any rules and regulations adopted by the secretary  
9 with respect to this act and any agreement entered into pursuant to this  
10 section and continues to meet the requirements for the sales tax exemption  
11 provided under this act. The secretary of commerce shall certify every five  
12 years to the secretary of revenue whether the qualified firm meets the  
13 criteria for designation as a qualified firm and is eligible for such sales tax  
14 exemption. The qualified firm shall provide the secretary of commerce all  
15 information reasonably necessary to determine such eligibility. Except as  
16 provided by paragraph (2), information obtained under this paragraph shall  
17 not be subject to disclosure pursuant to K.S.A. 45-215 et seq., and  
18 amendments thereto, unless such information is subject to disclosure  
19 pursuant to subsection (d)(1) or (2), but shall, upon request, be made  
20 available to the legislative post audit division. The provisions of this  
21 paragraph providing for confidentiality of records shall expire on July 1,  
22 2030, unless the legislature reviews and acts to continue such provisions  
23 pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2030.

24 (2) If, in the judgment of the secretary, any confidential information,  
25 trade secret or other information obtained under this section would place  
26 the qualified firm at a disadvantage in the marketplace or would  
27 significantly interfere with the purposes of this act, if known, shall not be  
28 subject to disclosure pursuant to K.S.A. 45-215 et seq., and amendments  
29 thereto, but shall, upon request, be made available to the legislative post  
30 audit division. The provisions of this paragraph providing for  
31 confidentiality of records shall expire on July 1, 2030, unless the  
32 legislature reviews and acts to continue such provisions pursuant to K.S.A.  
33 45-229, and amendments thereto, prior to July 1, 2030.

34 (f) The books and records that pertain to eligibility for benefits or  
35 compliance with the requirements of this act shall be available for  
36 inspection by the secretary or the secretary's duly authorized agents or  
37 employees during business hours on at least 60 days' prior written notice.  
38 The secretary may request the department of revenue to audit the qualified  
39 firm, or a third party if applicable, for compliance with the provisions of  
40 this act.

41 (g) The secretary of commerce shall certify to the secretary of  
42 revenue when the qualified firm has met the conditions to receive a sales  
43 tax exemption as provided by section 3, and amendments thereto, and shall

1 provide notice when the sales tax exemption is modified, suspended or  
2 terminated pursuant to subsection (c).

3 (h) The secretary of commerce or the secretary of revenue may adopt  
4 rules and regulations for the implementation of this act.

5 New Sec. 3. (a) On and after July 1, 2025, a qualified firm that meets  
6 the requirements of section 2, and amendments thereto, may be eligible for  
7 a sales tax exemption as provided by this section and the provisions of  
8 K.S.A. 79-3606(xxxx), and amendments thereto.

9 (b) The sales tax exemption shall be valid:

10 (1) For 15 years after the date of commencement of operations for  
11 qualified firms making an investment of at least \$250,000,000 in a  
12 qualified data center;

13 (2) for 30 years after the date of commencement of operations for  
14 qualified firms making an investment of at least \$500,000,000 in a  
15 qualified data center; or

16 (3) for 60 years after the date of commencement of operations for  
17 qualified firms making an investment of at least \$1,000,000,000 in a  
18 qualified data center.

19 (c) No sales tax exemption shall be approved by the secretary of  
20 revenue unless the qualified firm has been certified by the secretary of  
21 commerce, as provided in section 2, and amendments thereto, as meeting  
22 all requirements of this act, the rules and regulations of the secretary, if  
23 any, and the agreement executed pursuant to section 2, and amendments  
24 thereto.

25 (d) A sales tax exemption shall be revoked, suspended or modified by  
26 the secretary of revenue as requested by the secretary of commerce upon  
27 notification by the secretary of commerce as provided by section 2(c) and  
28 (g), and amendments thereto.

29 Sec. 4. K.S.A. 2024 Supp. 79-3606 is hereby amended to read as  
30 follows: 79-3606. The following shall be exempt from the tax imposed by  
31 this act:

32 (a) All sales of motor-vehicle fuel or other articles upon which a sales  
33 or excise tax has been paid, not subject to refund, under the laws of this  
34 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-  
35 3301, and amendments thereto, including consumable material for such  
36 electronic cigarettes, cereal malt beverages and malt products as defined  
37 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,  
38 malt syrup and malt extract, that is not subject to taxation under the  
39 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles  
40 taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed  
41 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and  
42 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments  
43 thereto, and gross receipts from regulated sports contests taxed pursuant to

1 the Kansas professional regulated sports act, and amendments thereto;

2 (b) all sales of tangible personal property or service, including the  
3 renting and leasing of tangible personal property, purchased directly by the  
4 state of Kansas, a political subdivision thereof, other than a school or  
5 educational institution, or purchased by a public or private nonprofit  
6 hospital, public hospital authority, nonprofit blood, tissue or organ bank or  
7 nonprofit integrated community care organization and used exclusively for  
8 state, political subdivision, hospital, public hospital authority, nonprofit  
9 blood, tissue or organ bank or nonprofit integrated community care  
10 organization purposes, except when: (1) Such state, hospital or public  
11 hospital authority is engaged or proposes to engage in any business  
12 specifically taxable under the provisions of this act and such items of  
13 tangible personal property or service are used or proposed to be used in  
14 such business; or (2) such political subdivision is engaged or proposes to  
15 engage in the business of furnishing gas, electricity or heat to others and  
16 such items of personal property or service are used or proposed to be used  
17 in such business;

18 (c) all sales of tangible personal property or services, including the  
19 renting and leasing of tangible personal property, purchased directly by a  
20 public or private elementary or secondary school or public or private  
21 nonprofit educational institution and used primarily by such school or  
22 institution for nonsectarian programs and activities provided or sponsored  
23 by such school or institution or in the erection, repair or enlargement of  
24 buildings to be used for such purposes. The exemption herein provided  
25 shall not apply to erection, construction, repair, enlargement or equipment  
26 of buildings used primarily for human habitation, except that such  
27 exemption shall apply to the erection, construction, repair, enlargement or  
28 equipment of buildings used for human habitation by the cerebral palsy  
29 research foundation of Kansas located in Wichita, Kansas, multi  
30 community diversified services, incorporated, located in McPherson,  
31 Kansas, the Kansas state school for the blind and the Kansas state school  
32 for the deaf;

33 (d) all sales of tangible personal property or services purchased by a  
34 contractor for the purpose of constructing, equipping, reconstructing,  
35 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
36 any public or private nonprofit hospital or public hospital authority, public  
37 or private elementary or secondary school, a public or private nonprofit  
38 educational institution, state correctional institution including a privately  
39 constructed correctional institution contracted for state use and ownership,  
40 that would be exempt from taxation under the provisions of this act if  
41 purchased directly by such hospital or public hospital authority, school,  
42 educational institution or a state correctional institution; and all sales of  
43 tangible personal property or services purchased by a contractor for the

1 purpose of constructing, equipping, reconstructing, maintaining, repairing,  
2 enlarging, furnishing or remodeling facilities for any political subdivision  
3 of the state or district described in subsection (s), the total cost of which is  
4 paid from funds of such political subdivision or district and that would be  
5 exempt from taxation under the provisions of this act if purchased directly  
6 by such political subdivision or district. Nothing in this subsection or in  
7 the provisions of K.S.A. 12-3418, and amendments thereto, shall be  
8 deemed to exempt the purchase of any construction machinery, equipment  
9 or tools used in the constructing, equipping, reconstructing, maintaining,  
10 repairing, enlarging, furnishing or remodeling facilities for any political  
11 subdivision of the state or any such district. As used in this subsection,  
12 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a  
13 political subdivision" shall mean general tax revenues, the proceeds of any  
14 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the  
15 purpose of constructing, equipping, reconstructing, repairing, enlarging,  
16 furnishing or remodeling facilities that are to be leased to the donor. When  
17 any political subdivision of the state, district described in subsection (s),  
18 public or private nonprofit hospital or public hospital authority, public or  
19 private elementary or secondary school, public or private nonprofit  
20 educational institution, state correctional institution including a privately  
21 constructed correctional institution contracted for state use and ownership  
22 shall contract for the purpose of constructing, equipping, reconstructing,  
23 maintaining, repairing, enlarging, furnishing or remodeling facilities, it  
24 shall obtain from the state and furnish to the contractor an exemption  
25 certificate for the project involved, and the contractor may purchase  
26 materials for incorporation in such project. The contractor shall furnish the  
27 number of such certificate to all suppliers from whom such purchases are  
28 made, and such suppliers shall execute invoices covering the same bearing  
29 the number of such certificate. Upon completion of the project the  
30 contractor shall furnish to the political subdivision, district described in  
31 subsection (s), hospital or public hospital authority, school, educational  
32 institution or department of corrections concerned a sworn statement, on a  
33 form to be provided by the director of taxation, that all purchases so made  
34 were entitled to exemption under this subsection. As an alternative to the  
35 foregoing procedure, any such contracting entity may apply to the  
36 secretary of revenue for agent status for the sole purpose of issuing and  
37 furnishing project exemption certificates to contractors pursuant to rules  
38 and regulations adopted by the secretary establishing conditions and  
39 standards for the granting and maintaining of such status. All invoices  
40 shall be held by the contractor for a period of five years and shall be  
41 subject to audit by the director of taxation. If any materials purchased  
42 under such a certificate are found not to have been incorporated in the  
43 building or other project or not to have been returned for credit or the sales

1 or compensating tax otherwise imposed upon such materials that will not  
2 be so incorporated in the building or other project reported and paid by  
3 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
4 month following the close of the month in which it shall be determined  
5 that such materials will not be used for the purpose for which such  
6 certificate was issued, the political subdivision, district described in  
7 subsection (s), hospital or public hospital authority, school, educational  
8 institution or the contractor contracting with the department of corrections  
9 for a correctional institution concerned shall be liable for tax on all  
10 materials purchased for the project, and upon payment thereof it may  
11 recover the same from the contractor together with reasonable attorney  
12 fees. Any contractor or any agent, employee or subcontractor thereof, who  
13 shall use or otherwise dispose of any materials purchased under such a  
14 certificate for any purpose other than that for which such a certificate is  
15 issued without the payment of the sales or compensating tax otherwise  
16 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
17 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
18 79-3615(h), and amendments thereto;

19 (e) all sales of tangible personal property or services purchased by a  
20 contractor for the erection, repair or enlargement of buildings or other  
21 projects for the government of the United States, its agencies or  
22 instrumentalities, that would be exempt from taxation if purchased directly  
23 by the government of the United States, its agencies or instrumentalities.  
24 When the government of the United States, its agencies or  
25 instrumentalities shall contract for the erection, repair, or enlargement of  
26 any building or other project, it shall obtain from the state and furnish to  
27 the contractor an exemption certificate for the project involved, and the  
28 contractor may purchase materials for incorporation in such project. The  
29 contractor shall furnish the number of such certificates to all suppliers  
30 from whom such purchases are made, and such suppliers shall execute  
31 invoices covering the same bearing the number of such certificate. Upon  
32 completion of the project the contractor shall furnish to the government of  
33 the United States, its agencies or instrumentalities concerned a sworn  
34 statement, on a form to be provided by the director of taxation, that all  
35 purchases so made were entitled to exemption under this subsection. As an  
36 alternative to the foregoing procedure, any such contracting entity may  
37 apply to the secretary of revenue for agent status for the sole purpose of  
38 issuing and furnishing project exemption certificates to contractors  
39 pursuant to rules and regulations adopted by the secretary establishing  
40 conditions and standards for the granting and maintaining of such status.  
41 All invoices shall be held by the contractor for a period of five years and  
42 shall be subject to audit by the director of taxation. Any contractor or any  
43 agent, employee or subcontractor thereof, who shall use or otherwise



1 dispose of any materials purchased under such a certificate for any purpose  
2 other than that for which such a certificate is issued without the payment  
3 of the sales or compensating tax otherwise imposed upon such materials,  
4 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
5 subject to the penalties provided for in K.S.A. 79-3615(h), and  
6 amendments thereto;

7 (f) tangible personal property purchased by a railroad or public utility  
8 for consumption or movement directly and immediately in interstate  
9 commerce;

10 (g) sales of aircraft including remanufactured and modified aircraft  
11 sold to persons using directly or through an authorized agent such aircraft  
12 as certified or licensed carriers of persons or property in interstate or  
13 foreign commerce under authority of the laws of the United States or any  
14 foreign government or sold to any foreign government or agency or  
15 instrumentality of such foreign government and all sales of aircraft for use  
16 outside of the United States and sales of aircraft repair, modification and  
17 replacement parts and sales of services employed in the remanufacture,  
18 modification and repair of aircraft;

19 (h) all rentals of nonsectarian textbooks by public or private  
20 elementary or secondary schools;

21 (i) the lease or rental of all films, records, tapes, or any type of sound  
22 or picture transcriptions used by motion picture exhibitors;

23 (j) meals served without charge or food used in the preparation of  
24 such meals to employees of any restaurant, eating house, dining car, hotel,  
25 drugstore or other place where meals or drinks are regularly sold to the  
26 public if such employees' duties are related to the furnishing or sale of  
27 such meals or drinks;

28 (k) any motor vehicle, semitrailer or pole trailer, as such terms are  
29 defined by K.S.A. 8-126, and amendments thereto, or aircraft sold and  
30 delivered in this state to a bona fide resident of another state, which motor  
31 vehicle, semitrailer, pole trailer or aircraft is not to be registered or based  
32 in this state and which vehicle, semitrailer, pole trailer or aircraft will not  
33 remain in this state more than 10 days;

34 (l) all isolated or occasional sales of tangible personal property,  
35 services, substances or things, except isolated or occasional sale of motor  
36 vehicles specifically taxed under the provisions of K.S.A. 79-3603(o), and  
37 amendments thereto;

38 (m) all sales of tangible personal property that become an ingredient  
39 or component part of tangible personal property or services produced,  
40 manufactured or compounded for ultimate sale at retail within or without  
41 the state of Kansas; and any such producer, manufacturer or compounder  
42 may obtain from the director of taxation and furnish to the supplier an  
43 exemption certificate number for tangible personal property for use as an

1 ingredient or component part of the property or services produced,  
2 manufactured or compounded;

3 (n) all sales of tangible personal property that is consumed in the  
4 production, manufacture, processing, mining, drilling, refining or  
5 compounding of tangible personal property, the treating of by-products or  
6 wastes derived from any such production process, the providing of  
7 services or the irrigation of crops for ultimate sale at retail within or  
8 without the state of Kansas; and any purchaser of such property may  
9 obtain from the director of taxation and furnish to the supplier an  
10 exemption certificate number for tangible personal property for  
11 consumption in such production, manufacture, processing, mining,  
12 drilling, refining, compounding, treating, irrigation and in providing such  
13 services;

14 (o) all sales of animals, fowl and aquatic plants and animals, the  
15 primary purpose of which is use in agriculture or aquaculture, as defined in  
16 K.S.A. 47-1901, and amendments thereto, the production of food for  
17 human consumption, the production of animal, dairy, poultry or aquatic  
18 plant and animal products, fiber or fur, or the production of offspring for  
19 use for any such purpose or purposes;

20 (p) all sales of drugs dispensed pursuant to a prescription order by a  
21 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-  
22 1626, and amendments thereto. As used in this subsection, "drug" means a  
23 compound, substance or preparation and any component of a compound,  
24 substance or preparation, other than food and food ingredients, dietary  
25 supplements or alcoholic beverages, recognized in the official United  
26 States pharmacopeia, official homeopathic pharmacopoeia of the United  
27 States or official national formulary, and supplement to any of them,  
28 intended for use in the diagnosis, cure, mitigation, treatment or prevention  
29 of disease or intended to affect the structure or any function of the body,  
30 except that for taxable years commencing after December 31, 2013, this  
31 subsection shall not apply to any sales of drugs used in the performance or  
32 induction of an abortion, as defined in K.S.A. 65-6701, and amendments  
33 thereto;

34 (q) all sales of insulin dispensed by a person licensed by the state  
35 board of pharmacy to a person for treatment of diabetes at the direction of  
36 a person licensed to practice medicine by the state board of healing arts;

37 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,  
38 enteral feeding systems, prosthetic devices and mobility enhancing  
39 equipment prescribed in writing by a person licensed to practice the  
40 healing arts, dentistry or optometry, and in addition to such sales, all sales  
41 of hearing aids, as defined by K.S.A. 74-5807(c), and amendments thereto,  
42 and repair and replacement parts therefor, including batteries, by a person  
43 licensed in the practice of dispensing and fitting hearing aids pursuant to

1 the provisions of K.S.A. 74-5808, and amendments thereto. For the  
2 purposes of this subsection: (1) "Mobility enhancing equipment" means  
3 equipment including repair and replacement parts to same, but does not  
4 include durable medical equipment, which is primarily and customarily  
5 used to provide or increase the ability to move from one place to another  
6 and which is appropriate for use either in a home or a motor vehicle; is not  
7 generally used by persons with normal mobility; and does not include any  
8 motor vehicle or equipment on a motor vehicle normally provided by a  
9 motor vehicle manufacturer; and (2) "prosthetic device" means a  
10 replacement, corrective or supportive device including repair and  
11 replacement parts for same worn on or in the body to artificially replace a  
12 missing portion of the body, prevent or correct physical deformity or  
13 malfunction or support a weak or deformed portion of the body;

14 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,  
15 all sales of tangible personal property or services purchased directly or  
16 indirectly by a groundwater management district organized or operating  
17 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,  
18 by a rural water district organized or operating under the authority of  
19 K.S.A. 82a-612, and amendments thereto, or by a water supply district  
20 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-  
21 3522 et seq. or 19-3545, and amendments thereto, which property or  
22 services are used in the construction activities, operation or maintenance of  
23 the district;

24 (t) all sales of farm machinery and equipment or aquaculture  
25 machinery and equipment, repair and replacement parts therefor and  
26 services performed in the repair and maintenance of such machinery and  
27 equipment. For the purposes of this subsection the term "farm machinery  
28 and equipment or aquaculture machinery and equipment" shall include a  
29 work-site utility vehicle, as defined in K.S.A. 8-126, and amendments  
30 thereto, and is equipped with a bed or cargo box for hauling materials, and  
31 shall also include machinery and equipment used in the operation of  
32 Christmas tree farming but shall not include any passenger vehicle, truck,  
33 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as  
34 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm  
35 machinery and equipment" includes precision farming equipment that is  
36 portable or is installed or purchased to be installed on farm machinery and  
37 equipment. "Precision farming equipment" includes the following items  
38 used only in computer-assisted farming, ranching or aquaculture  
39 production operations: Soil testing sensors, yield monitors, computers,  
40 monitors, software, global positioning and mapping systems, guiding  
41 systems, modems, data communications equipment and any necessary  
42 mounting hardware, wiring and antennas. Each purchaser of farm  
43 machinery and equipment or aquaculture machinery and equipment

1 exempted herein must certify in writing on the copy of the invoice or sales  
2 ticket to be retained by the seller that the farm machinery and equipment  
3 or aquaculture machinery and equipment purchased will be used only in  
4 farming, ranching or aquaculture production. Farming or ranching shall  
5 include the operation of a feedlot and farm and ranch work for hire and the  
6 operation of a nursery;

7 (u) all leases or rentals of tangible personal property used as a  
8 dwelling if such tangible personal property is leased or rented for a period  
9 of more than 28 consecutive days;

10 (v) all sales of tangible personal property to any contractor for use in  
11 preparing meals for delivery to homebound elderly persons over 60 years  
12 of age and to homebound disabled persons or to be served at a group-  
13 sitting at a location outside of the home to otherwise homebound elderly  
14 persons over 60 years of age and to otherwise homebound disabled  
15 persons, as all or part of any food service project funded in whole or in  
16 part by government or as part of a private nonprofit food service project  
17 available to all such elderly or disabled persons residing within an area of  
18 service designated by the private nonprofit organization, and all sales of  
19 tangible personal property for use in preparing meals for consumption by  
20 indigent or homeless individuals whether or not such meals are consumed  
21 at a place designated for such purpose, and all sales of food products by or  
22 on behalf of any such contractor or organization for any such purpose;

23 (w) all sales of natural gas, electricity, heat and water delivered  
24 through mains, lines or pipes: (1) To residential premises for  
25 noncommercial use by the occupant of such premises; (2) for agricultural  
26 use and also, for such use, all sales of propane gas; (3) for use in the  
27 severing of oil; and (4) to any property which is exempt from property  
28 taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this  
29 paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),  
30 and amendments thereto. For all sales of natural gas, electricity and heat  
31 delivered through mains, lines or pipes pursuant to the provisions of  
32 subsection (w)(1) and (w)(2), the provisions of this subsection shall expire  
33 on December 31, 2005;

34 (x) all sales of propane gas, LP-gas, coal, wood and other fuel sources  
35 for the production of heat or lighting for noncommercial use of an  
36 occupant of residential premises occurring prior to January 1, 2006;

37 (y) all sales of materials and services used in the repairing, servicing,  
38 altering, maintaining, manufacturing, remanufacturing, or modification of  
39 railroad rolling stock for use in interstate or foreign commerce under  
40 authority of the laws of the United States;

41 (z) all sales of tangible personal property and services purchased  
42 directly by a port authority or by a contractor therefor as provided by the  
43 provisions of K.S.A. 12-3418, and amendments thereto;

1 (aa) all sales of materials and services applied to equipment that is  
2 transported into the state from without the state for repair, service,  
3 alteration, maintenance, remanufacture or modification and that is  
4 subsequently transported outside the state for use in the transmission of  
5 liquids or natural gas by means of pipeline in interstate or foreign  
6 commerce under authority of the laws of the United States;

7 (bb) all sales of used mobile homes or manufactured homes. As used  
8 in this subsection: (1) "Mobile homes" and "manufactured homes" mean  
9 the same as defined in K.S.A. 58-4202, and amendments thereto; and (2)  
10 "sales of used mobile homes or manufactured homes" means sales other  
11 than the original retail sale thereof;

12 (cc) all sales of tangible personal property or services purchased prior  
13 to January 1, 2012, except as otherwise provided, for the purpose of and in  
14 conjunction with constructing, reconstructing, enlarging or remodeling a  
15 business or retail business that meets the requirements established in  
16 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of  
17 machinery and equipment purchased for installation at any such business  
18 or retail business, and all sales of tangible personal property or services  
19 purchased on or after January 1, 2012, for the purpose of and in  
20 conjunction with constructing, reconstructing, enlarging or remodeling a  
21 business that meets the requirements established in K.S.A. 74-50,115(e),  
22 and amendments thereto, and the sale and installation of machinery and  
23 equipment purchased for installation at any such business. When a person  
24 shall contract for the construction, reconstruction, enlargement or  
25 remodeling of any such business or retail business, such person shall  
26 obtain from the state and furnish to the contractor an exemption certificate  
27 for the project involved, and the contractor may purchase materials,  
28 machinery and equipment for incorporation in such project. The contractor  
29 shall furnish the number of such certificates to all suppliers from whom  
30 such purchases are made, and such suppliers shall execute invoices  
31 covering the same bearing the number of such certificate. Upon  
32 completion of the project the contractor shall furnish to the owner of the  
33 business or retail business a sworn statement, on a form to be provided by  
34 the director of taxation, that all purchases so made were entitled to  
35 exemption under this subsection. All invoices shall be held by the  
36 contractor for a period of five years and shall be subject to audit by the  
37 director of taxation. Any contractor or any agent, employee or  
38 subcontractor thereof, who shall use or otherwise dispose of any materials,  
39 machinery or equipment purchased under such a certificate for any  
40 purpose other than that for which such a certificate is issued without the  
41 payment of the sales or compensating tax otherwise imposed thereon, shall  
42 be guilty of a misdemeanor and, upon conviction therefor, shall be subject  
43 to the penalties provided for in K.S.A. 79-3615(h), and amendments

1 thereto. As used in this subsection, "business" and "retail business" mean  
2 the same as defined in K.S.A. 74-50,114, and amendments thereto. Project  
3 exemption certificates that have been previously issued under this  
4 subsection by the department of revenue pursuant to K.S.A. 74-50,115,  
5 and amendments thereto, but not including K.S.A. 74-50,115(e), and  
6 amendments thereto, prior to January 1, 2012, and have not expired will be  
7 effective for the term of the project or two years from the effective date of  
8 the certificate, whichever occurs earlier. Project exemption certificates that  
9 are submitted to the department of revenue prior to January 1, 2012, and  
10 are found to qualify will be issued a project exemption certificate that will  
11 be effective for a two-year period or for the term of the project, whichever  
12 occurs earlier;

13 (dd) all sales of tangible personal property purchased with food  
14 stamps issued by the United States department of agriculture;

15 (ee) all sales of lottery tickets and shares made as part of a lottery  
16 operated by the state of Kansas;

17 (ff) on and after July 1, 1988, all sales of new mobile homes or  
18 manufactured homes to the extent of 40% of the gross receipts, determined  
19 without regard to any trade-in allowance, received from such sale. As used  
20 in this subsection, "mobile homes" and "manufactured homes" mean the  
21 same as defined in K.S.A. 58-4202, and amendments thereto;

22 (gg) all sales of tangible personal property purchased in accordance  
23 with vouchers issued pursuant to the federal special supplemental food  
24 program for women, infants and children;

25 (hh) all sales of medical supplies and equipment, including durable  
26 medical equipment, purchased directly by a nonprofit skilled nursing home  
27 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,  
28 and amendments thereto, for the purpose of providing medical services to  
29 residents thereof. This exemption shall not apply to tangible personal  
30 property customarily used for human habitation purposes. As used in this  
31 subsection, "durable medical equipment" means equipment including  
32 repair and replacement parts for such equipment, that can withstand  
33 repeated use, is primarily and customarily used to serve a medical purpose,  
34 generally is not useful to a person in the absence of illness or injury and is  
35 not worn in or on the body, but does not include mobility enhancing  
36 equipment as defined in subsection (r), oxygen delivery equipment, kidney  
37 dialysis equipment or enteral feeding systems;

38 (ii) all sales of tangible personal property purchased directly by a  
39 nonprofit organization for nonsectarian comprehensive multidiscipline  
40 youth development programs and activities provided or sponsored by such  
41 organization, and all sales of tangible personal property by or on behalf of  
42 any such organization. This exemption shall not apply to tangible personal  
43 property customarily used for human habitation purposes;

1 (jj) all sales of tangible personal property or services, including the  
2 renting and leasing of tangible personal property, purchased directly on  
3 behalf of a community-based facility for people with intellectual disability  
4 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and  
5 amendments thereto, and licensed in accordance with the provisions of  
6 K.S.A. 39-2001 et seq., and amendments thereto, and all sales of tangible  
7 personal property or services purchased by contractors during the time  
8 period from July, 2003, through June, 2006, for the purpose of  
9 constructing, equipping, maintaining or furnishing a new facility for a  
10 community-based facility for people with intellectual disability or mental  
11 health center located in Riverton, Cherokee County, Kansas, that would  
12 have been eligible for sales tax exemption pursuant to this subsection if  
13 purchased directly by such facility or center. This exemption shall not  
14 apply to tangible personal property customarily used for human habitation  
15 purposes;

16 (kk) (1) (A) all sales of machinery and equipment that are used in this  
17 state as an integral or essential part of an integrated production operation  
18 by a manufacturing or processing plant or facility;

19 (B) all sales of installation, repair and maintenance services  
20 performed on such machinery and equipment; and

21 (C) all sales of repair and replacement parts and accessories  
22 purchased for such machinery and equipment.

23 (2) For purposes of this subsection:

24 (A) "Integrated production operation" means an integrated series of  
25 operations engaged in at a manufacturing or processing plant or facility to  
26 process, transform or convert tangible personal property by physical,  
27 chemical or other means into a different form, composition or character  
28 from that in which it originally existed. Integrated production operations  
29 shall include: (i) Production line operations, including packaging  
30 operations; (ii) preproduction operations to handle, store and treat raw  
31 materials; (iii) post production handling, storage, warehousing and  
32 distribution operations; and (iv) waste, pollution and environmental  
33 control operations, if any;

34 (B) "production line" means the assemblage of machinery and  
35 equipment at a manufacturing or processing plant or facility where the  
36 actual transformation or processing of tangible personal property occurs;

37 (C) "manufacturing or processing plant or facility" means a single,  
38 fixed location owned or controlled by a manufacturing or processing  
39 business that consists of one or more structures or buildings in a  
40 contiguous area where integrated production operations are conducted to  
41 manufacture or process tangible personal property to be ultimately sold at  
42 retail. Such term shall not include any facility primarily operated for the  
43 purpose of conveying or assisting in the conveyance of natural gas,

1 electricity, oil or water. A business may operate one or more manufacturing  
2 or processing plants or facilities at different locations to manufacture or  
3 process a single product of tangible personal property to be ultimately sold  
4 at retail;

5 (D) "manufacturing or processing business" means a business that  
6 utilizes an integrated production operation to manufacture, process,  
7 fabricate, finish or assemble items for wholesale and retail distribution as  
8 part of what is commonly regarded by the general public as an industrial  
9 manufacturing or processing operation or an agricultural commodity  
10 processing operation. (i) Industrial manufacturing or processing operations  
11 include, by way of illustration but not of limitation, the fabrication of  
12 automobiles, airplanes, machinery or transportation equipment, the  
13 fabrication of metal, plastic, wood or paper products, electricity power  
14 generation, water treatment, petroleum refining, chemical production,  
15 wholesale bottling, newspaper printing, ready mixed concrete production,  
16 and the remanufacturing of used parts for wholesale or retail sale. Such  
17 processing operations shall include operations at an oil well, gas well,  
18 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,  
19 sand or gravel that has been extracted from the earth is cleaned, separated,  
20 crushed, ground, milled, screened, washed or otherwise treated or prepared  
21 before its transmission to a refinery or before any other wholesale or retail  
22 distribution. (ii) Agricultural commodity processing operations include, by  
23 way of illustration but not of limitation, meat packing, poultry slaughtering  
24 and dressing, processing and packaging farm and dairy products in sealed  
25 containers for wholesale and retail distribution, feed grinding, grain  
26 milling, frozen food processing, and grain handling, cleaning, blending,  
27 fumigation, drying and aeration operations engaged in by grain elevators  
28 or other grain storage facilities. (iii) Manufacturing or processing  
29 businesses do not include, by way of illustration but not of limitation,  
30 nonindustrial businesses whose operations are primarily retail and that  
31 produce or process tangible personal property as an incidental part of  
32 conducting the retail business, such as retailers who bake, cook or prepare  
33 food products in the regular course of their retail trade, grocery stores,  
34 meat lockers and meat markets that butcher or dress livestock or poultry in  
35 the regular course of their retail trade, contractors who alter, service, repair  
36 or improve real property, and retail businesses that clean, service or  
37 refurbish and repair tangible personal property for its owner;

38 (E) "repair and replacement parts and accessories" means all parts  
39 and accessories for exempt machinery and equipment, including, but not  
40 limited to, dies, jigs, molds, patterns and safety devices that are attached to  
41 exempt machinery or that are otherwise used in production, and parts and  
42 accessories that require periodic replacement such as belts, drill bits,  
43 grinding wheels, grinding balls, cutting bars, saws, refractory brick and



1 other refractory items for exempt kiln equipment used in production  
2 operations;

3 (F) "primary" or "primarily" mean more than 50% of the time.

4 (3) For purposes of this subsection, machinery and equipment shall  
5 be deemed to be used as an integral or essential part of an integrated  
6 production operation when used to:

7 (A) Receive, transport, convey, handle, treat or store raw materials in  
8 preparation of its placement on the production line;

9 (B) transport, convey, handle or store the property undergoing  
10 manufacturing or processing at any point from the beginning of the  
11 production line through any warehousing or distribution operation of the  
12 final product that occurs at the plant or facility;

13 (C) act upon, effect, promote or otherwise facilitate a physical change  
14 to the property undergoing manufacturing or processing;

15 (D) guide, control or direct the movement of property undergoing  
16 manufacturing or processing;

17 (E) test or measure raw materials, the property undergoing  
18 manufacturing or processing or the finished product, as a necessary part of  
19 the manufacturer's integrated production operations;

20 (F) plan, manage, control or record the receipt and flow of inventories  
21 of raw materials, consumables and component parts, the flow of the  
22 property undergoing manufacturing or processing and the management of  
23 inventories of the finished product;

24 (G) produce energy for, lubricate, control the operating of or  
25 otherwise enable the functioning of other production machinery and  
26 equipment and the continuation of production operations;

27 (H) package the property being manufactured or processed in a  
28 container or wrapping in which such property is normally sold or  
29 transported;

30 (I) transmit or transport electricity, coke, gas, water, steam or similar  
31 substances used in production operations from the point of generation, if  
32 produced by the manufacturer or processor at the plant site, to that  
33 manufacturer's production operation; or, if purchased or delivered from  
34 off-site, from the point where the substance enters the site of the plant or  
35 facility to that manufacturer's production operations;

36 (J) cool, heat, filter, refine or otherwise treat water, steam, acid, oil,  
37 solvents or other substances that are used in production operations;

38 (K) provide and control an environment required to maintain certain  
39 levels of air quality, humidity or temperature in special and limited areas  
40 of the plant or facility, where such regulation of temperature or humidity is  
41 part of and essential to the production process;

42 (L) treat, transport or store waste or other byproducts of production  
43 operations at the plant or facility; or

1 (M) control pollution at the plant or facility where the pollution is  
2 produced by the manufacturing or processing operation.

3 (4) The following machinery, equipment and materials shall be  
4 deemed to be exempt even though it may not otherwise qualify as  
5 machinery and equipment used as an integral or essential part of an  
6 integrated production operation: (A) Computers and related peripheral  
7 equipment that are utilized by a manufacturing or processing business for  
8 engineering of the finished product or for research and development or  
9 product design; (B) machinery and equipment that is utilized by a  
10 manufacturing or processing business to manufacture or rebuild tangible  
11 personal property that is used in manufacturing or processing operations,  
12 including tools, dies, molds, forms and other parts of qualifying machinery  
13 and equipment; (C) portable plants for aggregate concrete, bulk cement  
14 and asphalt including cement mixing drums to be attached to a motor  
15 vehicle; (D) industrial fixtures, devices, support facilities and special  
16 foundations necessary for manufacturing and production operations, and  
17 materials and other tangible personal property sold for the purpose of  
18 fabricating such fixtures, devices, facilities and foundations. An exemption  
19 certificate for such purchases shall be signed by the manufacturer or  
20 processor. If the fabricator purchases such material, the fabricator shall  
21 also sign the exemption certificate; (E) a manufacturing or processing  
22 business' laboratory equipment that is not located at the plant or facility,  
23 but that would otherwise qualify for exemption under subsection (3)(E);  
24 (F) all machinery and equipment used in surface mining activities as  
25 described in K.S.A. 49-601 et seq., and amendments thereto, beginning  
26 from the time a reclamation plan is filed to the acceptance of the  
27 completed final site reclamation.

28 (5) "Machinery and equipment used as an integral or essential part of  
29 an integrated production operation" shall not include:

30 (A) Machinery and equipment used for nonproduction purposes,  
31 including, but not limited to, machinery and equipment used for plant  
32 security, fire prevention, first aid, accounting, administration, record  
33 keeping, advertising, marketing, sales or other related activities, plant  
34 cleaning, plant communications and employee work scheduling;

35 (B) machinery, equipment and tools used primarily in maintaining  
36 and repairing any type of machinery and equipment or the building and  
37 plant;

38 (C) transportation, transmission and distribution equipment not  
39 primarily used in a production, warehousing or material handling  
40 operation at the plant or facility, including the means of conveyance of  
41 natural gas, electricity, oil or water, and equipment related thereto, located  
42 outside the plant or facility;

43 (D) office machines and equipment including computers and related

1 peripheral equipment not used directly and primarily to control or measure  
2 the manufacturing process;

3 (E) furniture and other furnishings;

4 (F) buildings, other than exempt machinery and equipment that is  
5 permanently affixed to or becomes a physical part of the building, and any  
6 other part of real estate that is not otherwise exempt;

7 (G) building fixtures that are not integral to the manufacturing  
8 operation, such as utility systems for heating, ventilation, air conditioning,  
9 communications, plumbing or electrical;

10 (H) machinery and equipment used for general plant heating, cooling  
11 and lighting;

12 (I) motor vehicles that are registered for operation on public  
13 highways; or

14 (J) employee apparel, except safety and protective apparel that is  
15 purchased by an employer and furnished gratuitously to employees who  
16 are involved in production or research activities.

17 (6) Paragraphs (3) and (5) shall not be construed as exclusive listings  
18 of the machinery and equipment that qualify or do not qualify as an  
19 integral or essential part of an integrated production operation. When  
20 machinery or equipment is used as an integral or essential part of  
21 production operations part of the time and for nonproduction purposes at  
22 other times, the primary use of the machinery or equipment shall  
23 determine whether or not such machinery or equipment qualifies for  
24 exemption.

25 (7) The secretary of revenue shall adopt rules and regulations  
26 necessary to administer the provisions of this subsection;

27 (ll) all sales of educational materials purchased for distribution to the  
28 public at no charge by a nonprofit corporation organized for the purpose of  
29 encouraging, fostering and conducting programs for the improvement of  
30 public health, except that for taxable years commencing after December  
31 31, 2013, this subsection shall not apply to any sales of such materials  
32 purchased by a nonprofit corporation which performs any abortion, as  
33 defined in K.S.A. 65-6701, and amendments thereto;

34 (mm) all sales of seeds and tree seedlings; fertilizers, insecticides,  
35 herbicides, germicides, pesticides and fungicides; and services, purchased  
36 and used for the purpose of producing plants in order to prevent soil  
37 erosion on land devoted to agricultural use;

38 (nn) except as otherwise provided in this act, all sales of services  
39 rendered by an advertising agency or licensed broadcast station or any  
40 member, agent or employee thereof;

41 (oo) all sales of tangible personal property purchased by a community  
42 action group or agency for the exclusive purpose of repairing or  
43 weatherizing housing occupied by low-income individuals;

1 (pp) all sales of drill bits and explosives actually utilized in the  
2 exploration and production of oil or gas;

3 (qq) all sales of tangible personal property and services purchased by  
4 a nonprofit museum or historical society or any combination thereof,  
5 including a nonprofit organization that is organized for the purpose of  
6 stimulating public interest in the exploration of space by providing  
7 educational information, exhibits and experiences, that is exempt from  
8 federal income taxation pursuant to section 501(c)(3) of the federal  
9 internal revenue code of 1986;

10 (rr) all sales of tangible personal property that will admit the  
11 purchaser thereof to any annual event sponsored by a nonprofit  
12 organization that is exempt from federal income taxation pursuant to  
13 section 501(c)(3) of the federal internal revenue code of 1986, except that  
14 for taxable years commencing after December 31, 2013, this subsection  
15 shall not apply to any sales of such tangible personal property purchased  
16 by a nonprofit organization which performs any abortion, as defined in  
17 K.S.A. 65-6701, and amendments thereto;

18 (ss) all sales of tangible personal property and services purchased by  
19 a public broadcasting station licensed by the federal communications  
20 commission as a noncommercial educational television or radio station;

21 (tt) all sales of tangible personal property and services purchased by  
22 or on behalf of a not-for-profit corporation that is exempt from federal  
23 income taxation pursuant to section 501(c)(3) of the federal internal  
24 revenue code of 1986, for the sole purpose of constructing a Kansas  
25 Korean War memorial;

26 (uu) all sales of tangible personal property and services purchased by  
27 or on behalf of any rural volunteer fire-fighting organization for use  
28 exclusively in the performance of its duties and functions;

29 (vv) all sales of tangible personal property purchased by any of the  
30 following organizations that are exempt from federal income taxation  
31 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
32 for the following purposes, and all sales of any such property by or on  
33 behalf of any such organization for any such purpose:

34 (1) The American heart association, Kansas affiliate, inc. for the  
35 purposes of providing education, training, certification in emergency  
36 cardiac care, research and other related services to reduce disability and  
37 death from cardiovascular diseases and stroke;

38 (2) the Kansas alliance for the mentally ill, inc. for the purpose of  
39 advocacy for persons with mental illness and to education, research and  
40 support for their families;

41 (3) the Kansas mental illness awareness council for the purposes of  
42 advocacy for persons who are mentally ill and for education, research and  
43 support for them and their families;

1 (4) the American diabetes association Kansas affiliate, inc. for the  
2 purpose of eliminating diabetes through medical research, public education  
3 focusing on disease prevention and education, patient education including  
4 information on coping with diabetes, and professional education and  
5 training;

6 (5) the American lung association of Kansas, inc. for the purpose of  
7 eliminating all lung diseases through medical research, public education  
8 including information on coping with lung diseases, professional education  
9 and training related to lung disease and other related services to reduce the  
10 incidence of disability and death due to lung disease;

11 (6) the Kansas chapters of the Alzheimer's disease and related  
12 disorders association, inc. for the purpose of providing assistance and  
13 support to persons in Kansas with Alzheimer's disease, and their families  
14 and caregivers;

15 (7) the Kansas chapters of the Parkinson's disease association for the  
16 purpose of eliminating Parkinson's disease through medical research and  
17 public and professional education related to such disease;

18 (8) the national kidney foundation of Kansas and western Missouri  
19 for the purpose of eliminating kidney disease through medical research  
20 and public and private education related to such disease;

21 (9) the heartstrings community foundation for the purpose of  
22 providing training, employment and activities for adults with  
23 developmental disabilities;

24 (10) the cystic fibrosis foundation, heart of America chapter, for the  
25 purposes of assuring the development of the means to cure and control  
26 cystic fibrosis and improving the quality of life for those with the disease;

27 (11) the spina bifida association of Kansas for the purpose of  
28 providing financial, educational and practical aid to families and  
29 individuals with spina bifida. Such aid includes, but is not limited to,  
30 funding for medical devices, counseling and medical educational  
31 opportunities;

32 (12) the CHWC, Inc., for the purpose of rebuilding urban core  
33 neighborhoods through the construction of new homes, acquiring and  
34 renovating existing homes and other related activities, and promoting  
35 economic development in such neighborhoods;

36 (13) the cross-lines cooperative council for the purpose of providing  
37 social services to low income individuals and families;

38 (14) the dreams work, inc., for the purpose of providing young adult  
39 day services to individuals with developmental disabilities and assisting  
40 families in avoiding institutional or nursing home care for a  
41 developmentally disabled member of their family;

42 (15) the KSDS, Inc., for the purpose of promoting the independence  
43 and inclusion of people with disabilities as fully participating and

1 contributing members of their communities and society through the  
2 training and providing of guide and service dogs to people with  
3 disabilities, and providing disability education and awareness to the  
4 general public;

5 (16) the lyme association of greater Kansas City, Inc., for the purpose  
6 of providing support to persons with lyme disease and public education  
7 relating to the prevention, treatment and cure of lyme disease;

8 (17) the dream factory, inc., for the purpose of granting the dreams of  
9 children with critical and chronic illnesses;

10 (18) the Ottawa Suzuki strings, inc., for the purpose of providing  
11 students and families with education and resources necessary to enable  
12 each child to develop fine character and musical ability to the fullest  
13 potential;

14 (19) the international association of lions clubs for the purpose of  
15 creating and fostering a spirit of understanding among all people for  
16 humanitarian needs by providing voluntary services through community  
17 involvement and international cooperation;

18 (20) the Johnson county young matrons, inc., for the purpose of  
19 promoting a positive future for members of the community through  
20 volunteerism, financial support and education through the efforts of an all  
21 volunteer organization;

22 (21) the American cancer society, inc., for the purpose of eliminating  
23 cancer as a major health problem by preventing cancer, saving lives and  
24 diminishing suffering from cancer, through research, education, advocacy  
25 and service;

26 (22) the community services of Shawnee, inc., for the purpose of  
27 providing food and clothing to those in need;

28 (23) the angel babies association, for the purpose of providing  
29 assistance, support and items of necessity to teenage mothers and their  
30 babies; and

31 (24) the Kansas fairgrounds foundation for the purpose of the  
32 preservation, renovation and beautification of the Kansas state fairgrounds;

33 (ww) all sales of tangible personal property purchased by the habitat  
34 for humanity for the exclusive use of being incorporated within a housing  
35 project constructed by such organization;

36 (xx) all sales of tangible personal property and services purchased by  
37 a nonprofit zoo that is exempt from federal income taxation pursuant to  
38 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf  
39 of such zoo by an entity itself exempt from federal income taxation  
40 pursuant to section 501(c)(3) of the federal internal revenue code of 1986  
41 contracted with to operate such zoo and all sales of tangible personal  
42 property or services purchased by a contractor for the purpose of  
43 constructing, equipping, reconstructing, maintaining, repairing, enlarging,

1 furnishing or remodeling facilities for any nonprofit zoo that would be  
2 exempt from taxation under the provisions of this section if purchased  
3 directly by such nonprofit zoo or the entity operating such zoo. Nothing in  
4 this subsection shall be deemed to exempt the purchase of any construction  
5 machinery, equipment or tools used in the constructing, equipping,  
6 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
7 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for  
8 the purpose of constructing, equipping, reconstructing, maintaining,  
9 repairing, enlarging, furnishing or remodeling facilities, it shall obtain  
10 from the state and furnish to the contractor an exemption certificate for the  
11 project involved, and the contractor may purchase materials for  
12 incorporation in such project. The contractor shall furnish the number of  
13 such certificate to all suppliers from whom such purchases are made, and  
14 such suppliers shall execute invoices covering the same bearing the  
15 number of such certificate. Upon completion of the project the contractor  
16 shall furnish to the nonprofit zoo concerned a sworn statement, on a form  
17 to be provided by the director of taxation, that all purchases so made were  
18 entitled to exemption under this subsection. All invoices shall be held by  
19 the contractor for a period of five years and shall be subject to audit by the  
20 director of taxation. If any materials purchased under such a certificate are  
21 found not to have been incorporated in the building or other project or not  
22 to have been returned for credit or the sales or compensating tax otherwise  
23 imposed upon such materials that will not be so incorporated in the  
24 building or other project reported and paid by such contractor to the  
25 director of taxation not later than the 20<sup>th</sup> day of the month following the  
26 close of the month in which it shall be determined that such materials will  
27 not be used for the purpose for which such certificate was issued, the  
28 nonprofit zoo concerned shall be liable for tax on all materials purchased  
29 for the project, and upon payment thereof it may recover the same from  
30 the contractor together with reasonable attorney fees. Any contractor or  
31 any agent, employee or subcontractor thereof, who shall use or otherwise  
32 dispose of any materials purchased under such a certificate for any purpose  
33 other than that for which such a certificate is issued without the payment  
34 of the sales or compensating tax otherwise imposed upon such materials,  
35 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
36 subject to the penalties provided for in K.S.A. 79-3615(h), and  
37 amendments thereto;

38 (yy) all sales of tangible personal property and services purchased by  
39 a parent-teacher association or organization, and all sales of tangible  
40 personal property by or on behalf of such association or organization;

41 (zz) all sales of machinery and equipment purchased by over-the-air,  
42 free access radio or television station that is used directly and primarily for  
43 the purpose of producing a broadcast signal or is such that the failure of

1 the machinery or equipment to operate would cause broadcasting to cease.  
2 For purposes of this subsection, machinery and equipment shall include,  
3 but not be limited to, that required by rules and regulations of the federal  
4 communications commission, and all sales of electricity which are  
5 essential or necessary for the purpose of producing a broadcast signal or is  
6 such that the failure of the electricity would cause broadcasting to cease;

7 (aaa) all sales of tangible personal property and services purchased by  
8 a religious organization that is exempt from federal income taxation  
9 pursuant to section 501(c)(3) of the federal internal revenue code, and used  
10 exclusively for religious purposes, and all sales of tangible personal  
11 property or services purchased by a contractor for the purpose of  
12 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
13 furnishing or remodeling facilities for any such organization that would be  
14 exempt from taxation under the provisions of this section if purchased  
15 directly by such organization. Nothing in this subsection shall be deemed  
16 to exempt the purchase of any construction machinery, equipment or tools  
17 used in the constructing, equipping, reconstructing, maintaining, repairing,  
18 enlarging, furnishing or remodeling facilities for any such organization.  
19 When any such organization shall contract for the purpose of constructing,  
20 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
21 remodeling facilities, it shall obtain from the state and furnish to the  
22 contractor an exemption certificate for the project involved, and the  
23 contractor may purchase materials for incorporation in such project. The  
24 contractor shall furnish the number of such certificate to all suppliers from  
25 whom such purchases are made, and such suppliers shall execute invoices  
26 covering the same bearing the number of such certificate. Upon  
27 completion of the project the contractor shall furnish to such organization  
28 concerned a sworn statement, on a form to be provided by the director of  
29 taxation, that all purchases so made were entitled to exemption under this  
30 subsection. All invoices shall be held by the contractor for a period of five  
31 years and shall be subject to audit by the director of taxation. If any  
32 materials purchased under such a certificate are found not to have been  
33 incorporated in the building or other project or not to have been returned  
34 for credit or the sales or compensating tax otherwise imposed upon such  
35 materials that will not be so incorporated in the building or other project  
36 reported and paid by such contractor to the director of taxation not later  
37 than the 20<sup>th</sup> day of the month following the close of the month in which it  
38 shall be determined that such materials will not be used for the purpose for  
39 which such certificate was issued, such organization concerned shall be  
40 liable for tax on all materials purchased for the project, and upon payment  
41 thereof it may recover the same from the contractor together with  
42 reasonable attorney fees. Any contractor or any agent, employee or  
43 subcontractor thereof, who shall use or otherwise dispose of any materials



1 purchased under such a certificate for any purpose other than that for  
2 which such a certificate is issued without the payment of the sales or  
3 compensating tax otherwise imposed upon such materials, shall be guilty  
4 of a misdemeanor and, upon conviction therefor, shall be subject to the  
5 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.  
6 Sales tax paid on and after July 1, 1998, but prior to the effective date of  
7 this act upon the gross receipts received from any sale exempted by the  
8 amendatory provisions of this subsection shall be refunded. Each claim for  
9 a sales tax refund shall be verified and submitted to the director of taxation  
10 upon forms furnished by the director and shall be accompanied by any  
11 additional documentation required by the director. The director shall  
12 review each claim and shall refund that amount of sales tax paid as  
13 determined under the provisions of this subsection. All refunds shall be  
14 paid from the sales tax refund fund upon warrants of the director of  
15 accounts and reports pursuant to vouchers approved by the director or the  
16 director's designee;

17 (bbb) all sales of food for human consumption by an organization that  
18 is exempt from federal income taxation pursuant to section 501(c)(3) of  
19 the federal internal revenue code of 1986, pursuant to a food distribution  
20 program that offers such food at a price below cost in exchange for the  
21 performance of community service by the purchaser thereof;

22 (ccc) on and after July 1, 1999, all sales of tangible personal property  
23 and services purchased by a primary care clinic or health center the  
24 primary purpose of which is to provide services to medically underserved  
25 individuals and families, and that is exempt from federal income taxation  
26 pursuant to section 501(c)(3) of the federal internal revenue code, and all  
27 sales of tangible personal property or services purchased by a contractor  
28 for the purpose of constructing, equipping, reconstructing, maintaining,  
29 repairing, enlarging, furnishing or remodeling facilities for any such clinic  
30 or center that would be exempt from taxation under the provisions of this  
31 section if purchased directly by such clinic or center, except that for  
32 taxable years commencing after December 31, 2013, this subsection shall  
33 not apply to any sales of such tangible personal property and services  
34 purchased by a primary care clinic or health center which performs any  
35 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing  
36 in this subsection shall be deemed to exempt the purchase of any  
37 construction machinery, equipment or tools used in the constructing,  
38 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
39 remodeling facilities for any such clinic or center. When any such clinic or  
40 center shall contract for the purpose of constructing, equipping,  
41 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
42 facilities, it shall obtain from the state and furnish to the contractor an  
43 exemption certificate for the project involved, and the contractor may

1 purchase materials for incorporation in such project. The contractor shall  
2 furnish the number of such certificate to all suppliers from whom such  
3 purchases are made, and such suppliers shall execute invoices covering the  
4 same bearing the number of such certificate. Upon completion of the  
5 project the contractor shall furnish to such clinic or center concerned a  
6 sworn statement, on a form to be provided by the director of taxation, that  
7 all purchases so made were entitled to exemption under this subsection.  
8 All invoices shall be held by the contractor for a period of five years and  
9 shall be subject to audit by the director of taxation. If any materials  
10 purchased under such a certificate are found not to have been incorporated  
11 in the building or other project or not to have been returned for credit or  
12 the sales or compensating tax otherwise imposed upon such materials that  
13 will not be so incorporated in the building or other project reported and  
14 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>  
15 day of the month following the close of the month in which it shall be  
16 determined that such materials will not be used for the purpose for which  
17 such certificate was issued, such clinic or center concerned shall be liable  
18 for tax on all materials purchased for the project, and upon payment  
19 thereof it may recover the same from the contractor together with  
20 reasonable attorney fees. Any contractor or any agent, employee or  
21 subcontractor thereof, who shall use or otherwise dispose of any materials  
22 purchased under such a certificate for any purpose other than that for  
23 which such a certificate is issued without the payment of the sales or  
24 compensating tax otherwise imposed upon such materials, shall be guilty  
25 of a misdemeanor and, upon conviction therefor, shall be subject to the  
26 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

27 (ddd) on and after January 1, 1999, and before January 1, 2000, all  
28 sales of materials and services purchased by any class II or III railroad as  
29 classified by the federal surface transportation board for the construction,  
30 renovation, repair or replacement of class II or III railroad track and  
31 facilities used directly in interstate commerce. In the event any such track  
32 or facility for which materials and services were purchased sales tax  
33 exempt is not operational for five years succeeding the allowance of such  
34 exemption, the total amount of sales tax that would have been payable  
35 except for the operation of this subsection shall be recouped in accordance  
36 with rules and regulations adopted for such purpose by the secretary of  
37 revenue;

38 (eee) on and after January 1, 1999, and before January 1, 2001, all  
39 sales of materials and services purchased for the original construction,  
40 reconstruction, repair or replacement of grain storage facilities, including  
41 railroad sidings providing access thereto;

42 (fff) all sales of material handling equipment, racking systems and  
43 other related machinery and equipment that is used for the handling,

1 movement or storage of tangible personal property in a warehouse or  
2 distribution facility in this state; all sales of installation, repair and  
3 maintenance services performed on such machinery and equipment; and  
4 all sales of repair and replacement parts for such machinery and  
5 equipment. For purposes of this subsection, a warehouse or distribution  
6 facility means a single, fixed location that consists of buildings or  
7 structures in a contiguous area where storage or distribution operations are  
8 conducted that are separate and apart from the business' retail operations,  
9 if any, and that do not otherwise qualify for exemption as occurring at a  
10 manufacturing or processing plant or facility. Material handling and  
11 storage equipment shall include aeration, dust control, cleaning, handling  
12 and other such equipment that is used in a public grain warehouse or other  
13 commercial grain storage facility, whether used for grain handling, grain  
14 storage, grain refining or processing, or other grain treatment operation;

15 (ggg) all sales of tangible personal property and services purchased  
16 by or on behalf of the Kansas academy of science, which is exempt from  
17 federal income taxation pursuant to section 501(c)(3) of the federal  
18 internal revenue code of 1986, and used solely by such academy for the  
19 preparation, publication and dissemination of education materials;

20 (hhh) all sales of tangible personal property and services purchased  
21 by or on behalf of all domestic violence shelters that are member agencies  
22 of the Kansas coalition against sexual and domestic violence;

23 (iii) all sales of personal property and services purchased by an  
24 organization that is exempt from federal income taxation pursuant to  
25 section 501(c)(3) of the federal internal revenue code of 1986, and such  
26 personal property and services are used by any such organization in the  
27 collection, storage and distribution of food products to nonprofit  
28 organizations that distribute such food products to persons pursuant to a  
29 food distribution program on a charitable basis without fee or charge, and  
30 all sales of tangible personal property or services purchased by a  
31 contractor for the purpose of constructing, equipping, reconstructing,  
32 maintaining, repairing, enlarging, furnishing or remodeling facilities used  
33 for the collection and storage of such food products for any such  
34 organization which is exempt from federal income taxation pursuant to  
35 section 501(c)(3) of the federal internal revenue code of 1986, that would  
36 be exempt from taxation under the provisions of this section if purchased  
37 directly by such organization. Nothing in this subsection shall be deemed  
38 to exempt the purchase of any construction machinery, equipment or tools  
39 used in the constructing, equipping, reconstructing, maintaining, repairing,  
40 enlarging, furnishing or remodeling facilities for any such organization.  
41 When any such organization shall contract for the purpose of constructing,  
42 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
43 remodeling facilities, it shall obtain from the state and furnish to the

1 contractor an exemption certificate for the project involved, and the  
2 contractor may purchase materials for incorporation in such project. The  
3 contractor shall furnish the number of such certificate to all suppliers from  
4 whom such purchases are made, and such suppliers shall execute invoices  
5 covering the same bearing the number of such certificate. Upon  
6 completion of the project the contractor shall furnish to such organization  
7 concerned a sworn statement, on a form to be provided by the director of  
8 taxation, that all purchases so made were entitled to exemption under this  
9 subsection. All invoices shall be held by the contractor for a period of five  
10 years and shall be subject to audit by the director of taxation. If any  
11 materials purchased under such a certificate are found not to have been  
12 incorporated in such facilities or not to have been returned for credit or the  
13 sales or compensating tax otherwise imposed upon such materials that will  
14 not be so incorporated in such facilities reported and paid by such  
15 contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
16 month following the close of the month in which it shall be determined  
17 that such materials will not be used for the purpose for which such  
18 certificate was issued, such organization concerned shall be liable for tax  
19 on all materials purchased for the project, and upon payment thereof it  
20 may recover the same from the contractor together with reasonable  
21 attorney fees. Any contractor or any agent, employee or subcontractor  
22 thereof, who shall use or otherwise dispose of any materials purchased  
23 under such a certificate for any purpose other than that for which such a  
24 certificate is issued without the payment of the sales or compensating tax  
25 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
26 and, upon conviction therefor, shall be subject to the penalties provided for  
27 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after  
28 July 1, 2005, but prior to the effective date of this act upon the gross  
29 receipts received from any sale exempted by the amendatory provisions of  
30 this subsection shall be refunded. Each claim for a sales tax refund shall be  
31 verified and submitted to the director of taxation upon forms furnished by  
32 the director and shall be accompanied by any additional documentation  
33 required by the director. The director shall review each claim and shall  
34 refund that amount of sales tax paid as determined under the provisions of  
35 this subsection. All refunds shall be paid from the sales tax refund fund  
36 upon warrants of the director of accounts and reports pursuant to vouchers  
37 approved by the director or the director's designee;

38 (jjj) all sales of dietary supplements dispensed pursuant to a  
39 prescription order by a licensed practitioner or a mid-level practitioner as  
40 defined by K.S.A. 65-1626, and amendments thereto. As used in this  
41 subsection, "dietary supplement" means any product, other than tobacco,  
42 intended to supplement the diet that: (1) Contains one or more of the  
43 following dietary ingredients: A vitamin, a mineral, an herb or other

1 botanical, an amino acid, a dietary substance for use by humans to  
2 supplement the diet by increasing the total dietary intake or a concentrate,  
3 metabolite, constituent, extract or combination of any such ingredient; (2)  
4 is intended for ingestion in tablet, capsule, powder, softgel, gelcap or  
5 liquid form, or if not intended for ingestion, in such a form, is not  
6 represented as conventional food and is not represented for use as a sole  
7 item of a meal or of the diet; and (3) is required to be labeled as a dietary  
8 supplement, identifiable by the supplemental facts box found on the label  
9 and as required pursuant to 21 C.F.R. § 101.36;

10 (lll) all sales of tangible personal property and services purchased by  
11 special olympics Kansas, inc. for the purpose of providing year-round  
12 sports training and athletic competition in a variety of olympic-type sports  
13 for individuals with intellectual disabilities by giving them continuing  
14 opportunities to develop physical fitness, demonstrate courage, experience  
15 joy and participate in a sharing of gifts, skills and friendship with their  
16 families, other special olympics athletes and the community, and activities  
17 provided or sponsored by such organization, and all sales of tangible  
18 personal property by or on behalf of any such organization;

19 (mmm) all sales of tangible personal property purchased by or on  
20 behalf of the Marillac center, inc., which is exempt from federal income  
21 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
22 for the purpose of providing psycho-social-biological and special  
23 education services to children, and all sales of any such property by or on  
24 behalf of such organization for such purpose;

25 (nnn) all sales of tangible personal property and services purchased  
26 by the west Sedgwick county-sunrise rotary club and sunrise charitable  
27 fund for the purpose of constructing a boundless playground which is an  
28 integrated, barrier free and developmentally advantageous play  
29 environment for children of all abilities and disabilities;

30 (ooo) all sales of tangible personal property by or on behalf of a  
31 public library serving the general public and supported in whole or in part  
32 with tax money or a not-for-profit organization whose purpose is to raise  
33 funds for or provide services or other benefits to any such public library;

34 (ppp) all sales of tangible personal property and services purchased  
35 by or on behalf of a homeless shelter that is exempt from federal income  
36 taxation pursuant to section 501(c)(3) of the federal income tax code of  
37 1986, and used by any such homeless shelter to provide emergency and  
38 transitional housing for individuals and families experiencing  
39 homelessness, and all sales of any such property by or on behalf of any  
40 such homeless shelter for any such purpose;

41 (qqq) all sales of tangible personal property and services purchased  
42 by TLC for children and families, inc., hereinafter referred to as TLC,  
43 which is exempt from federal income taxation pursuant to section 501(c)

1 (3) of the federal internal revenue code of 1986, and such property and  
2 services are used for the purpose of providing emergency shelter and  
3 treatment for abused and neglected children as well as meeting additional  
4 critical needs for children, juveniles and family, and all sales of any such  
5 property by or on behalf of TLC for any such purpose; and all sales of  
6 tangible personal property or services purchased by a contractor for the  
7 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
8 remodeling facilities for the operation of services for TLC for any such  
9 purpose that would be exempt from taxation under the provisions of this  
10 section if purchased directly by TLC. Nothing in this subsection shall be  
11 deemed to exempt the purchase of any construction machinery, equipment  
12 or tools used in the constructing, maintaining, repairing, enlarging,  
13 furnishing or remodeling such facilities for TLC. When TLC contracts for  
14 the purpose of constructing, maintaining, repairing, enlarging, furnishing  
15 or remodeling such facilities, it shall obtain from the state and furnish to  
16 the contractor an exemption certificate for the project involved, and the  
17 contractor may purchase materials for incorporation in such project. The  
18 contractor shall furnish the number of such certificate to all suppliers from  
19 whom such purchases are made, and such suppliers shall execute invoices  
20 covering the same bearing the number of such certificate. Upon  
21 completion of the project the contractor shall furnish to TLC a sworn  
22 statement, on a form to be provided by the director of taxation, that all  
23 purchases so made were entitled to exemption under this subsection. All  
24 invoices shall be held by the contractor for a period of five years and shall  
25 be subject to audit by the director of taxation. If any materials purchased  
26 under such a certificate are found not to have been incorporated in the  
27 building or other project or not to have been returned for credit or the sales  
28 or compensating tax otherwise imposed upon such materials that will not  
29 be so incorporated in the building or other project reported and paid by  
30 such contractor to the director of taxation not later than the 20<sup>th</sup> day of  
31 the month following the close of the month in which it shall be determined  
32 that such materials will not be used for the purpose for which such  
33 certificate was issued, TLC shall be liable for tax on all materials  
34 purchased for the project, and upon payment thereof it may recover the  
35 same from the contractor together with reasonable attorney fees. Any  
36 contractor or any agent, employee or subcontractor thereof, who shall use  
37 or otherwise dispose of any materials purchased under such a certificate  
38 for any purpose other than that for which such a certificate is issued  
39 without the payment of the sales or compensating tax otherwise imposed  
40 upon such materials, shall be guilty of a misdemeanor and, upon  
41 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
42 79-3615(h), and amendments thereto;

43 (rrr) all sales of tangible personal property and services purchased by

1 any county law library maintained pursuant to law and sales of tangible  
2 personal property and services purchased by an organization that would  
3 have been exempt from taxation under the provisions of this subsection if  
4 purchased directly by the county law library for the purpose of providing  
5 legal resources to attorneys, judges, students and the general public, and  
6 all sales of any such property by or on behalf of any such county law  
7 library;

8 (sss) all sales of tangible personal property and services purchased by  
9 catholic charities or youthville, hereinafter referred to as charitable family  
10 providers, which is exempt from federal income taxation pursuant to  
11 section 501(c)(3) of the federal internal revenue code of 1986, and which  
12 such property and services are used for the purpose of providing  
13 emergency shelter and treatment for abused and neglected children as well  
14 as meeting additional critical needs for children, juveniles and family, and  
15 all sales of any such property by or on behalf of charitable family  
16 providers for any such purpose; and all sales of tangible personal property  
17 or services purchased by a contractor for the purpose of constructing,  
18 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
19 the operation of services for charitable family providers for any such  
20 purpose which would be exempt from taxation under the provisions of this  
21 section if purchased directly by charitable family providers. Nothing in  
22 this subsection shall be deemed to exempt the purchase of any construction  
23 machinery, equipment or tools used in the constructing, maintaining,  
24 repairing, enlarging, furnishing or remodeling such facilities for charitable  
25 family providers. When charitable family providers contracts for the  
26 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
27 remodeling such facilities, it shall obtain from the state and furnish to the  
28 contractor an exemption certificate for the project involved, and the  
29 contractor may purchase materials for incorporation in such project. The  
30 contractor shall furnish the number of such certificate to all suppliers from  
31 whom such purchases are made, and such suppliers shall execute invoices  
32 covering the same bearing the number of such certificate. Upon  
33 completion of the project the contractor shall furnish to charitable family  
34 providers a sworn statement, on a form to be provided by the director of  
35 taxation, that all purchases so made were entitled to exemption under this  
36 subsection. All invoices shall be held by the contractor for a period of five  
37 years and shall be subject to audit by the director of taxation. If any  
38 materials purchased under such a certificate are found not to have been  
39 incorporated in the building or other project or not to have been returned  
40 for credit or the sales or compensating tax otherwise imposed upon such  
41 materials that will not be so incorporated in the building or other project  
42 reported and paid by such contractor to the director of taxation not later  
43 than the 20<sup>th</sup> day of the month following the close of the month in which it

1 shall be determined that such materials will not be used for the purpose for  
2 which such certificate was issued, charitable family providers shall be  
3 liable for tax on all materials purchased for the project, and upon payment  
4 thereof it may recover the same from the contractor together with  
5 reasonable attorney fees. Any contractor or any agent, employee or  
6 subcontractor thereof, who shall use or otherwise dispose of any materials  
7 purchased under such a certificate for any purpose other than that for  
8 which such a certificate is issued without the payment of the sales or  
9 compensating tax otherwise imposed upon such materials, shall be guilty  
10 of a misdemeanor and, upon conviction therefor, shall be subject to the  
11 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

12 (ttt) all sales of tangible personal property or services purchased by a  
13 contractor for a project for the purpose of restoring, constructing,  
14 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
15 remodeling a home or facility owned by a nonprofit museum that has been  
16 granted an exemption pursuant to subsection (qq), which such home or  
17 facility is located in a city that has been designated as a qualified  
18 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and  
19 amendments thereto, and which such project is related to the purposes of  
20 K.S.A. 75-5071 et seq., and amendments thereto, and that would be  
21 exempt from taxation under the provisions of this section if purchased  
22 directly by such nonprofit museum. Nothing in this subsection shall be  
23 deemed to exempt the purchase of any construction machinery, equipment  
24 or tools used in the restoring, constructing, equipping, reconstructing,  
25 maintaining, repairing, enlarging, furnishing or remodeling a home or  
26 facility for any such nonprofit museum. When any such nonprofit museum  
27 shall contract for the purpose of restoring, constructing, equipping,  
28 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
29 a home or facility, it shall obtain from the state and furnish to the  
30 contractor an exemption certificate for the project involved, and the  
31 contractor may purchase materials for incorporation in such project. The  
32 contractor shall furnish the number of such certificates to all suppliers  
33 from whom such purchases are made, and such suppliers shall execute  
34 invoices covering the same bearing the number of such certificate. Upon  
35 completion of the project, the contractor shall furnish to such nonprofit  
36 museum a sworn statement on a form to be provided by the director of  
37 taxation that all purchases so made were entitled to exemption under this  
38 subsection. All invoices shall be held by the contractor for a period of five  
39 years and shall be subject to audit by the director of taxation. If any  
40 materials purchased under such a certificate are found not to have been  
41 incorporated in the building or other project or not to have been returned  
42 for credit or the sales or compensating tax otherwise imposed upon such  
43 materials that will not be so incorporated in a home or facility or other



1 project reported and paid by such contractor to the director of taxation not  
2 later than the 20<sup>th</sup> day of the month following the close of the month in  
3 which it shall be determined that such materials will not be used for the  
4 purpose for which such certificate was issued, such nonprofit museum  
5 shall be liable for tax on all materials purchased for the project, and upon  
6 payment thereof it may recover the same from the contractor together with  
7 reasonable attorney fees. Any contractor or any agent, employee or  
8 subcontractor thereof, who shall use or otherwise dispose of any materials  
9 purchased under such a certificate for any purpose other than that for  
10 which such a certificate is issued without the payment of the sales or  
11 compensating tax otherwise imposed upon such materials, shall be guilty  
12 of a misdemeanor and, upon conviction therefor, shall be subject to the  
13 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

14 (uuu) all sales of tangible personal property and services purchased  
15 by Kansas children's service league, hereinafter referred to as KCSL,  
16 which is exempt from federal income taxation pursuant to section 501(c)  
17 (3) of the federal internal revenue code of 1986, and which such property  
18 and services are used for the purpose of providing for the prevention and  
19 treatment of child abuse and maltreatment as well as meeting additional  
20 critical needs for children, juveniles and family, and all sales of any such  
21 property by or on behalf of KCSL for any such purpose; and all sales of  
22 tangible personal property or services purchased by a contractor for the  
23 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
24 remodeling facilities for the operation of services for KCSL for any such  
25 purpose that would be exempt from taxation under the provisions of this  
26 section if purchased directly by KCSL. Nothing in this subsection shall be  
27 deemed to exempt the purchase of any construction machinery, equipment  
28 or tools used in the constructing, maintaining, repairing, enlarging,  
29 furnishing or remodeling such facilities for KCSL. When KCSL contracts  
30 for the purpose of constructing, maintaining, repairing, enlarging,  
31 furnishing or remodeling such facilities, it shall obtain from the state and  
32 furnish to the contractor an exemption certificate for the project involved,  
33 and the contractor may purchase materials for incorporation in such  
34 project. The contractor shall furnish the number of such certificate to all  
35 suppliers from whom such purchases are made, and such suppliers shall  
36 execute invoices covering the same bearing the number of such certificate.  
37 Upon completion of the project the contractor shall furnish to KCSL a  
38 sworn statement, on a form to be provided by the director of taxation, that  
39 all purchases so made were entitled to exemption under this subsection.  
40 All invoices shall be held by the contractor for a period of five years and  
41 shall be subject to audit by the director of taxation. If any materials  
42 purchased under such a certificate are found not to have been incorporated  
43 in the building or other project or not to have been returned for credit or

1 the sales or compensating tax otherwise imposed upon such materials that  
2 will not be so incorporated in the building or other project reported and  
3 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>  
4 day of the month following the close of the month in which it shall be  
5 determined that such materials will not be used for the purpose for which  
6 such certificate was issued, KCSL shall be liable for tax on all materials  
7 purchased for the project, and upon payment thereof it may recover the  
8 same from the contractor together with reasonable attorney fees. Any  
9 contractor or any agent, employee or subcontractor thereof, who shall use  
10 or otherwise dispose of any materials purchased under such a certificate  
11 for any purpose other than that for which such a certificate is issued  
12 without the payment of the sales or compensating tax otherwise imposed  
13 upon such materials, shall be guilty of a misdemeanor and, upon  
14 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
15 79-3615(h), and amendments thereto;

16 (vvv) all sales of tangible personal property or services, including the  
17 renting and leasing of tangible personal property or services, purchased by  
18 jazz in the woods, inc., a Kansas corporation that is exempt from federal  
19 income taxation pursuant to section 501(c)(3) of the federal internal  
20 revenue code, for the purpose of providing jazz in the woods, an event  
21 benefiting children-in-need and other nonprofit charities assisting such  
22 children, and all sales of any such property by or on behalf of such  
23 organization for such purpose;

24 (www) all sales of tangible personal property purchased by or on  
25 behalf of the Frontenac education foundation, which is exempt from  
26 federal income taxation pursuant to section 501(c)(3) of the federal  
27 internal revenue code, for the purpose of providing education support for  
28 students, and all sales of any such property by or on behalf of such  
29 organization for such purpose;

30 (xxx) all sales of personal property and services purchased by the  
31 booth theatre foundation, inc., an organization, which is exempt from  
32 federal income taxation pursuant to section 501(c)(3) of the federal  
33 internal revenue code of 1986, and which such personal property and  
34 services are used by any such organization in the constructing, equipping,  
35 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
36 of the booth theatre, and all sales of tangible personal property or services  
37 purchased by a contractor for the purpose of constructing, equipping,  
38 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
39 the booth theatre for such organization, that would be exempt from  
40 taxation under the provisions of this section if purchased directly by such  
41 organization. Nothing in this subsection shall be deemed to exempt the  
42 purchase of any construction machinery, equipment or tools used in the  
43 constructing, equipping, reconstructing, maintaining, repairing, enlarging,

1 furnishing or remodeling facilities for any such organization. When any  
2 such organization shall contract for the purpose of constructing, equipping,  
3 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
4 facilities, it shall obtain from the state and furnish to the contractor an  
5 exemption certificate for the project involved, and the contractor may  
6 purchase materials for incorporation in such project. The contractor shall  
7 furnish the number of such certificate to all suppliers from whom such  
8 purchases are made, and such suppliers shall execute invoices covering the  
9 same bearing the number of such certificate. Upon completion of the  
10 project the contractor shall furnish to such organization concerned a sworn  
11 statement, on a form to be provided by the director of taxation, that all  
12 purchases so made were entitled to exemption under this subsection. All  
13 invoices shall be held by the contractor for a period of five years and shall  
14 be subject to audit by the director of taxation. If any materials purchased  
15 under such a certificate are found not to have been incorporated in such  
16 facilities or not to have been returned for credit or the sales or  
17 compensating tax otherwise imposed upon such materials that will not be  
18 so incorporated in such facilities reported and paid by such contractor to  
19 the director of taxation not later than the 20<sup>th</sup> day of the month following  
20 the close of the month in which it shall be determined that such materials  
21 will not be used for the purpose for which such certificate was issued, such  
22 organization concerned shall be liable for tax on all materials purchased  
23 for the project, and upon payment thereof it may recover the same from  
24 the contractor together with reasonable attorney fees. Any contractor or  
25 any agent, employee or subcontractor thereof, who shall use or otherwise  
26 dispose of any materials purchased under such a certificate for any purpose  
27 other than that for which such a certificate is issued without the payment  
28 of the sales or compensating tax otherwise imposed upon such materials,  
29 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
30 subject to the penalties provided for in K.S.A. 79-3615(h), and  
31 amendments thereto. Sales tax paid on and after January 1, 2007, but prior  
32 to the effective date of this act upon the gross receipts received from any  
33 sale which would have been exempted by the provisions of this subsection  
34 had such sale occurred after the effective date of this act shall be refunded.  
35 Each claim for a sales tax refund shall be verified and submitted to the  
36 director of taxation upon forms furnished by the director and shall be  
37 accompanied by any additional documentation required by the director.  
38 The director shall review each claim and shall refund that amount of sales  
39 tax paid as determined under the provisions of this subsection. All refunds  
40 shall be paid from the sales tax refund fund upon warrants of the director  
41 of accounts and reports pursuant to vouchers approved by the director or  
42 the director's designee;

43 (yyy) all sales of tangible personal property and services purchased

1 by TLC charities foundation, inc., hereinafter referred to as TLC charities,  
2 which is exempt from federal income taxation pursuant to section 501(c)  
3 (3) of the federal internal revenue code of 1986, and which such property  
4 and services are used for the purpose of encouraging private philanthropy  
5 to further the vision, values, and goals of TLC for children and families,  
6 inc.; and all sales of such property and services by or on behalf of TLC  
7 charities for any such purpose and all sales of tangible personal property or  
8 services purchased by a contractor for the purpose of constructing,  
9 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
10 the operation of services for TLC charities for any such purpose that would  
11 be exempt from taxation under the provisions of this section if purchased  
12 directly by TLC charities. Nothing in this subsection shall be deemed to  
13 exempt the purchase of any construction machinery, equipment or tools  
14 used in the constructing, maintaining, repairing, enlarging, furnishing or  
15 remodeling such facilities for TLC charities. When TLC charities contracts  
16 for the purpose of constructing, maintaining, repairing, enlarging,  
17 furnishing or remodeling such facilities, it shall obtain from the state and  
18 furnish to the contractor an exemption certificate for the project involved,  
19 and the contractor may purchase materials for incorporation in such  
20 project. The contractor shall furnish the number of such certificate to all  
21 suppliers from whom such purchases are made, and such suppliers shall  
22 execute invoices covering the same bearing the number of such certificate.  
23 Upon completion of the project the contractor shall furnish to TLC  
24 charities a sworn statement, on a form to be provided by the director of  
25 taxation, that all purchases so made were entitled to exemption under this  
26 subsection. All invoices shall be held by the contractor for a period of five  
27 years and shall be subject to audit by the director of taxation. If any  
28 materials purchased under such a certificate are found not to have been  
29 incorporated in the building or other project or not to have been returned  
30 for credit or the sales or compensating tax otherwise imposed upon such  
31 materials that will not be incorporated into the building or other project  
32 reported and paid by such contractor to the director of taxation not later  
33 than the 20<sup>th</sup> day of the month following the close of the month in which it  
34 shall be determined that such materials will not be used for the purpose for  
35 which such certificate was issued, TLC charities shall be liable for tax on  
36 all materials purchased for the project, and upon payment thereof it may  
37 recover the same from the contractor together with reasonable attorney  
38 fees. Any contractor or any agent, employee or subcontractor thereof, who  
39 shall use or otherwise dispose of any materials purchased under such a  
40 certificate for any purpose other than that for which such a certificate is  
41 issued without the payment of the sales or compensating tax otherwise  
42 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
43 conviction therefor, shall be subject to the penalties provided for in K.S.A.

1 79-3615(h), and amendments thereto;

2 (zzz) all sales of tangible personal property purchased by the rotary  
3 club of shawnee foundation, which is exempt from federal income taxation  
4 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
5 as amended, used for the purpose of providing contributions to community  
6 service organizations and scholarships;

7 (aaaa) all sales of personal property and services purchased by or on  
8 behalf of victory in the valley, inc., which is exempt from federal income  
9 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
10 for the purpose of providing a cancer support group and services for  
11 persons with cancer, and all sales of any such property by or on behalf of  
12 any such organization for any such purpose;

13 (bbbb) all sales of entry or participation fees, charges or tickets by  
14 Guadalupe health foundation, which is exempt from federal income  
15 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
16 for such organization's annual fundraising event which purpose is to  
17 provide health care services for uninsured workers;

18 (cccc) all sales of tangible personal property or services purchased by  
19 or on behalf of wayside waifs, inc., which is exempt from federal income  
20 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
21 for the purpose of providing such organization's annual fundraiser, an  
22 event whose purpose is to support the care of homeless and abandoned  
23 animals, animal adoption efforts, education programs for children and  
24 efforts to reduce animal over-population and animal welfare services, and  
25 all sales of any such property, including entry or participation fees or  
26 charges, by or on behalf of such organization for such purpose;

27 (dddd) all sales of tangible personal property or services purchased  
28 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both  
29 of which are exempt from federal income taxation pursuant to section  
30 501(c)(3) of the federal internal revenue code, for the purpose of providing  
31 education, training and employment opportunities for people with  
32 disabilities and other barriers to employment;

33 (eeee) all sales of tangible personal property or services purchased by  
34 or on behalf of all American beef battalion, inc., which is exempt from  
35 federal income taxation pursuant to section 501(c)(3) of the federal  
36 internal revenue code, for the purpose of educating, promoting and  
37 participating as a contact group through the beef cattle industry in order to  
38 carry out such projects that provide support and morale to members of the  
39 United States armed forces and military services;

40 (ffff) all sales of tangible personal property and services purchased by  
41 sheltered living, inc., which is exempt from federal income taxation  
42 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
43 and which such property and services are used for the purpose of

1 providing residential and day services for people with developmental  
2 disabilities or intellectual disability, or both, and all sales of any such  
3 property by or on behalf of sheltered living, inc., for any such purpose; and  
4 all sales of tangible personal property or services purchased by a  
5 contractor for the purpose of rehabilitating, constructing, maintaining,  
6 repairing, enlarging, furnishing or remodeling homes and facilities for  
7 sheltered living, inc., for any such purpose that would be exempt from  
8 taxation under the provisions of this section if purchased directly by  
9 sheltered living, inc. Nothing in this subsection shall be deemed to exempt  
10 the purchase of any construction machinery, equipment or tools used in the  
11 constructing, maintaining, repairing, enlarging, furnishing or remodeling  
12 such homes and facilities for sheltered living, inc. When sheltered living,  
13 inc., contracts for the purpose of rehabilitating, constructing, maintaining,  
14 repairing, enlarging, furnishing or remodeling such homes and facilities, it  
15 shall obtain from the state and furnish to the contractor an exemption  
16 certificate for the project involved, and the contractor may purchase  
17 materials for incorporation in such project. The contractor shall furnish the  
18 number of such certificate to all suppliers from whom such purchases are  
19 made, and such suppliers shall execute invoices covering the same bearing  
20 the number of such certificate. Upon completion of the project the  
21 contractor shall furnish to sheltered living, inc., a sworn statement, on a  
22 form to be provided by the director of taxation, that all purchases so made  
23 were entitled to exemption under this subsection. All invoices shall be held  
24 by the contractor for a period of five years and shall be subject to audit by  
25 the director of taxation. If any materials purchased under such a certificate  
26 are found not to have been incorporated in the building or other project or  
27 not to have been returned for credit or the sales or compensating tax  
28 otherwise imposed upon such materials that will not be so incorporated in  
29 the building or other project reported and paid by such contractor to the  
30 director of taxation not later than the 20<sup>th</sup> day of the month following the  
31 close of the month in which it shall be determined that such materials will  
32 not be used for the purpose for which such certificate was issued, sheltered  
33 living, inc., shall be liable for tax on all materials purchased for the  
34 project, and upon payment thereof it may recover the same from the  
35 contractor together with reasonable attorney fees. Any contractor or any  
36 agent, employee or subcontractor thereof, who shall use or otherwise  
37 dispose of any materials purchased under such a certificate for any purpose  
38 other than that for which such a certificate is issued without the payment  
39 of the sales or compensating tax otherwise imposed upon such materials,  
40 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
41 subject to the penalties provided for in K.S.A. 79-3615(h), and  
42 amendments thereto;  
43 (gggg) all sales of game birds for which the primary purpose is use in

1 hunting;

2 (hhh) all sales of tangible personal property or services purchased  
3 on or after July 1, 2014, for the purpose of and in conjunction with  
4 constructing, reconstructing, enlarging or remodeling a business identified  
5 under the North American industry classification system (NAICS)  
6 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and  
7 installation of machinery and equipment purchased for installation at any  
8 such business. The exemption provided in this subsection shall not apply  
9 to projects that have actual total costs less than \$50,000. When a person  
10 contracts for the construction, reconstruction, enlargement or remodeling  
11 of any such business, such person shall obtain from the state and furnish to  
12 the contractor an exemption certificate for the project involved, and the  
13 contractor may purchase materials, machinery and equipment for  
14 incorporation in such project. The contractor shall furnish the number of  
15 such certificates to all suppliers from whom such purchases are made, and  
16 such suppliers shall execute invoices covering the same bearing the  
17 number of such certificate. Upon completion of the project, the contractor  
18 shall furnish to the owner of the business a sworn statement, on a form to  
19 be provided by the director of taxation, that all purchases so made were  
20 entitled to exemption under this subsection. All invoices shall be held by  
21 the contractor for a period of five years and shall be subject to audit by the  
22 director of taxation. Any contractor or any agent, employee or  
23 subcontractor of the contractor, who shall use or otherwise dispose of any  
24 materials, machinery or equipment purchased under such a certificate for  
25 any purpose other than that for which such a certificate is issued without  
26 the payment of the sales or compensating tax otherwise imposed thereon,  
27 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
28 subject to the penalties provided for in K.S.A. 79-3615(h), and  
29 amendments thereto;

30 (iiii) all sales of tangible personal property or services purchased by a  
31 contractor for the purpose of constructing, maintaining, repairing,  
32 enlarging, furnishing or remodeling facilities for the operation of services  
33 for Wichita children's home for any such purpose that would be exempt  
34 from taxation under the provisions of this section if purchased directly by  
35 Wichita children's home. Nothing in this subsection shall be deemed to  
36 exempt the purchase of any construction machinery, equipment or tools  
37 used in the constructing, maintaining, repairing, enlarging, furnishing or  
38 remodeling such facilities for Wichita children's home. When Wichita  
39 children's home contracts for the purpose of constructing, maintaining,  
40 repairing, enlarging, furnishing or remodeling such facilities, it shall obtain  
41 from the state and furnish to the contractor an exemption certificate for the  
42 project involved, and the contractor may purchase materials for  
43 incorporation in such project. The contractor shall furnish the number of

1 such certificate to all suppliers from whom such purchases are made, and  
2 such suppliers shall execute invoices covering the same bearing the  
3 number of such certificate. Upon completion of the project, the contractor  
4 shall furnish to Wichita children's home a sworn statement, on a form to be  
5 provided by the director of taxation, that all purchases so made were  
6 entitled to exemption under this subsection. All invoices shall be held by  
7 the contractor for a period of five years and shall be subject to audit by the  
8 director of taxation. If any materials purchased under such a certificate are  
9 found not to have been incorporated in the building or other project or not  
10 to have been returned for credit or the sales or compensating tax otherwise  
11 imposed upon such materials that will not be so incorporated in the  
12 building or other project reported and paid by such contractor to the  
13 director of taxation not later than the 20<sup>th</sup> day of the month following the  
14 close of the month in which it shall be determined that such materials will  
15 not be used for the purpose for which such certificate was issued, Wichita  
16 children's home shall be liable for the tax on all materials purchased for the  
17 project, and upon payment, it may recover the same from the contractor  
18 together with reasonable attorney fees. Any contractor or any agent,  
19 employee or subcontractor, who shall use or otherwise dispose of any  
20 materials purchased under such a certificate for any purpose other than that  
21 for which such a certificate is issued without the payment of the sales or  
22 compensating tax otherwise imposed upon such materials, shall be guilty  
23 of a misdemeanor and, upon conviction, shall be subject to the penalties  
24 provided for in K.S.A. 79-3615(h), and amendments thereto;

25 (jjjj) all sales of tangible personal property or services purchased by  
26 or on behalf of the beacon, inc., that is exempt from federal income  
27 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
28 for the purpose of providing those desiring help with food, shelter, clothing  
29 and other necessities of life during times of special need;

30 (kkkk) all sales of tangible personal property and services purchased  
31 by or on behalf of reaching out from within, inc., which is exempt from  
32 federal income taxation pursuant to section 501(c)(3) of the federal  
33 internal revenue code, for the purpose of sponsoring self-help programs for  
34 incarcerated persons that will enable such incarcerated persons to become  
35 role models for non-violence while in correctional facilities and productive  
36 family members and citizens upon return to the community;

37 (llll) all sales of tangible personal property and services purchased by  
38 Gove county healthcare endowment foundation, inc., which is exempt  
39 from federal income taxation pursuant to section 501(c)(3) of the federal  
40 internal revenue code of 1986, and which such property and services are  
41 used for the purpose of constructing and equipping an airport in Quinter,  
42 Kansas, and all sales of tangible personal property or services purchased  
43 by a contractor for the purpose of constructing and equipping an airport in



1 Quinter, Kansas, for such organization, that would be exempt from  
2 taxation under the provisions of this section if purchased directly by such  
3 organization. Nothing in this subsection shall be deemed to exempt the  
4 purchase of any construction machinery, equipment or tools used in the  
5 constructing or equipping of facilities for such organization. When such  
6 organization shall contract for the purpose of constructing or equipping an  
7 airport in Quinter, Kansas, it shall obtain from the state and furnish to the  
8 contractor an exemption certificate for the project involved, and the  
9 contractor may purchase materials for incorporation in such project. The  
10 contractor shall furnish the number of such certificate to all suppliers from  
11 whom such purchases are made, and such suppliers shall execute invoices  
12 covering the same bearing the number of such certificate. Upon  
13 completion of the project, the contractor shall furnish to such organization  
14 concerned a sworn statement, on a form to be provided by the director of  
15 taxation, that all purchases so made were entitled to exemption under this  
16 subsection. All invoices shall be held by the contractor for a period of five  
17 years and shall be subject to audit by the director of taxation. If any  
18 materials purchased under such a certificate are found not to have been  
19 incorporated in such facilities or not to have been returned for credit or the  
20 sales or compensating tax otherwise imposed upon such materials that will  
21 not be so incorporated in such facilities reported and paid by such  
22 contractor to the director of taxation no later than the 20<sup>th</sup> day of the month  
23 following the close of the month in which it shall be determined that such  
24 materials will not be used for the purpose for which such certificate was  
25 issued, such organization concerned shall be liable for tax on all materials  
26 purchased for the project, and upon payment thereof it may recover the  
27 same from the contractor together with reasonable attorney fees. Any  
28 contractor or any agent, employee or subcontractor thereof, who purchased  
29 under such a certificate for any purpose other than that for which such a  
30 certificate is issued without the payment of the sales or compensating tax  
31 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
32 and, upon conviction therefor, shall be subject to the penalties provided for  
33 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this  
34 subsection shall expire and have no effect on and after July 1, 2019;

35 (mmmm) all sales of gold or silver coins; and palladium, platinum,  
36 gold or silver bullion. For the purposes of this subsection, "bullion" means  
37 bars, ingots or commemorative medallions of gold, silver, platinum,  
38 palladium, or a combination thereof, for which the value of the metal  
39 depends on its content and not the form;

40 (nnnn) all sales of tangible personal property or services purchased  
41 by friends of hospice of Jefferson county, an organization that is exempt  
42 from federal income taxation pursuant to section 501(c)(3) of the federal  
43 internal revenue code of 1986, for the purpose of providing support to the

1 Jefferson county hospice agency in end-of-life care of Jefferson county  
2 families, friends and neighbors, and all sales of entry or participation fees,  
3 charges or tickets by friends of hospice of Jefferson county for such  
4 organization's fundraising event for such purpose;

5 (oooo) all sales of tangible personal property or services purchased  
6 for the purpose of and in conjunction with constructing, reconstructing,  
7 enlarging or remodeling a qualified business facility by a qualified firm or  
8 qualified supplier that meets the requirements established in K.S.A. 2024  
9 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has  
10 been approved for a project exemption certificate by the secretary of  
11 commerce, and the sale and installation of machinery and equipment  
12 purchased by such qualified firm or qualified supplier for installation at  
13 any such qualified business facility. When a person shall contract for the  
14 construction, reconstruction, enlargement or remodeling of any such  
15 qualified business facility, such person shall obtain from the state and  
16 furnish to the contractor an exemption certificate for the project involved,  
17 and the contractor may purchase materials, machinery and equipment for  
18 incorporation in such project. The contractor shall furnish the number of  
19 such certificates to all suppliers from whom such purchases are made, and  
20 such suppliers shall execute invoices covering the same bearing the  
21 number of such certificate. Upon completion of the project, the contractor  
22 shall furnish to the owner of the qualified firm or qualified supplier a  
23 sworn statement, on a form to be provided by the director of taxation, that  
24 all purchases so made were entitled to exemption under this subsection.  
25 All invoices shall be held by the contractor for a period of five years and  
26 shall be subject to audit by the director of taxation. Any contractor or any  
27 agent, employee or subcontractor thereof who shall use or otherwise  
28 dispose of any materials, machinery or equipment purchased under such a  
29 certificate for any purpose other than that for which such a certificate is  
30 issued without the payment of the sales or compensating tax otherwise  
31 imposed thereon, shall be guilty of a misdemeanor and, upon conviction  
32 therefor, shall be subject to the penalties provided for in K.S.A. 79-  
33 3615(h), and amendments thereto. As used in this subsection, "qualified  
34 business facility," "qualified firm" and "qualified supplier" mean the same  
35 as defined in K.S.A. 2024 Supp. 74-50,311, and amendments thereto;

36 (pppp) (1) all sales of tangible personal property or services  
37 purchased by a not-for-profit corporation that is designated as an area  
38 agency on aging by the secretary for aging and disabilities services and is  
39 exempt from federal income taxation pursuant to section 501(c)(3) of the  
40 federal internal revenue code for the purpose of coordinating and  
41 providing seniors and those living with disabilities with services that  
42 promote person-centered care, including home-delivered meals,  
43 congregate meal settings, long-term case management, transportation,

1 information, assistance and other preventative and intervention services to  
2 help service recipients remain in their homes and communities or for the  
3 purpose of constructing, equipping, reconstructing, maintaining, repairing,  
4 enlarging, furnishing or remodeling facilities for such area agency on  
5 aging; and

6 (2) all sales of tangible personal property or services purchased by a  
7 contractor for the purpose of constructing, equipping, reconstructing,  
8 maintaining, repairing, enlarging, furnishing or remodeling facilities for an  
9 area agency on aging that would be exempt from taxation under the  
10 provisions of this section if purchased directly by such area agency on  
11 aging. Nothing in this paragraph shall be deemed to exempt the purchase  
12 of any construction machinery, equipment or tools used in the  
13 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
14 furnishing or remodeling facilities for an area agency on aging. When an  
15 area agency on aging contracts for the purpose of constructing, equipping,  
16 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
17 facilities, it shall obtain from the state and furnish to the contractor an  
18 exemption certificate for the project involved, and such contractor may  
19 purchase materials for incorporation in such project. The contractor shall  
20 furnish the number of such certificate to all suppliers from whom such  
21 purchases are made, and such suppliers shall execute invoices covering the  
22 same bearing the number of such certificate. Upon completion of the  
23 project, the contractor shall furnish to such area agency on aging a sworn  
24 statement, on a form to be provided by the director of taxation, that all  
25 purchases so made were entitled to exemption under this subsection. All  
26 invoices shall be held by the contractor for a period of five years and shall  
27 be subject to audit by the director of taxation. If any materials purchased  
28 under such a certificate are found not to have been incorporated in the  
29 building or other project or not to have been returned for credit or the sales  
30 or compensating tax otherwise imposed upon such materials that will not  
31 be so incorporated in the building or other project reported and paid by  
32 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
33 month following the close of the month in which it shall be determined  
34 that such materials will not be used for the purpose for which such  
35 certificate was issued, the area agency on aging concerned shall be liable  
36 for tax on all materials purchased for the project, and upon payment  
37 thereof, the area agency on aging may recover the same from the  
38 contractor together with reasonable attorney fees. Any contractor or any  
39 agent, employee or subcontractor thereof who shall use or otherwise  
40 dispose of any materials purchased under such a certificate for any purpose  
41 other than that for which such a certificate is issued without the payment  
42 of the sales or compensating tax otherwise imposed upon such materials  
43 shall be guilty of a misdemeanor and, upon conviction therefor, shall be

1 subject to the penalties provided for in K.S.A. 79-3615(h), and  
2 amendments thereto;

3 (qqqq) all sales of tangible personal property or services purchased  
4 by Kansas suicide prevention HQ, inc., an organization that is exempt  
5 from federal income taxation pursuant to section 501(c)(3) of the federal  
6 internal revenue code of 1986, for the purpose of bringing suicide  
7 prevention training and awareness to communities across the state;

8 (rrrr) all sales of the services of slaughtering, butchering, custom  
9 cutting, dressing, processing and packaging of an animal for human  
10 consumption when the animal is delivered or furnished by a customer that  
11 owns the animal and such meat or poultry is for use or consumption by  
12 such customer;

13 (ssss) all sales of tangible personal property or services purchased by  
14 or on behalf of doorstep inc., an organization that is exempt from federal  
15 income taxation pursuant to section 501(c)(3) of the federal internal  
16 revenue code of 1986, for the purpose of providing short-term emergency  
17 aid to families and individuals in need, including assistance with food,  
18 clothing, rent, prescription medications, transportation and utilities, and  
19 providing information on services to promote long-term self-sufficiency;

20 (tttt) on and after January 1, 2024, all sales of tangible personal  
21 property or services purchased by exploration place, inc., an organization  
22 that is exempt from federal income taxation pursuant to section 501(c)(3)  
23 of the federal internal revenue code, and which such property and services  
24 are used for the purpose of constructing, remodeling, furnishing or  
25 equipping a riverfront amphitheater, a destination playscape, an education  
26 center and indoor renovations at exploration place in Wichita, Kansas, all  
27 sales of tangible personal property or services purchased by Kansas  
28 children's discovery center inc. in Topeka, Kansas, and which such  
29 property and services are used for the purpose of constructing, remodeling,  
30 furnishing or equipping projects that include indoor-outdoor classrooms,  
31 an expanded multi-media gallery, a workshop and loading dock and safety  
32 upgrades such as a tornado shelter, lactation room, first aid room and  
33 sensory room and all sales of tangible personal property or services  
34 purchased by a contractor for the purpose of constructing, remodeling,  
35 furnishing or equipping such projects, for such organizations, that would  
36 be exempt from taxation under the provisions of this section if purchased  
37 directly by such organizations. Nothing in this subsection shall be deemed  
38 to exempt the purchase of any construction machinery, equipment or tools  
39 used in the constructing, remodeling, furnishing or equipping of facilities  
40 for such organization. When such organization shall contract for the  
41 purpose of constructing, remodeling, furnishing or equipping such  
42 projects, it shall obtain from the state and furnish to the contractor an  
43 exemption certificate for the project involved, and the contractor may

1 purchase materials for incorporation in such project. The contractor shall  
2 furnish the number of such certificate to all suppliers from whom such  
3 purchases are made, and such suppliers shall execute invoices covering the  
4 same bearing the number of such certificate. Upon completion of the  
5 project, the contractor shall furnish to such organization a sworn statement,  
6 on a form to be provided by the director of taxation, that all purchases so  
7 made were entitled to exemption under this subsection. All invoices shall  
8 be held by the contractor for a period of five years and shall be subject to  
9 audit by the director of taxation. If any materials purchased under such a  
10 certificate are found not to have been incorporated in such facilities or not  
11 to have been returned for credit or the sales or compensating tax otherwise  
12 imposed upon such materials that will not be so incorporated in such  
13 facilities reported and paid by such contractor to the director of taxation no  
14 later than the 20<sup>th</sup> day of the month following the close of the month in  
15 which it shall be determined that such materials will not be used for the  
16 purpose for which such certificate was issued, such organization shall be  
17 liable for tax on all materials purchased for the project, and upon payment  
18 thereof may recover the same from the contractor together with reasonable  
19 attorney fees. Any contractor or agent, employee or subcontractor thereof,  
20 who purchased under such a certificate for any purpose other than that for  
21 which such a certificate is issued without the payment of the sales or  
22 compensating tax otherwise imposed upon such materials, shall be guilty  
23 of a misdemeanor and, upon conviction therefor, shall be subject to the  
24 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.  
25 Sales tax paid on and after January 1, 2024, but prior to the effective date  
26 of this act, upon the gross receipts received from any sale exempted by the  
27 amendatory provisions of this subsection shall be refunded. Each claim for  
28 a sales tax refund shall be verified and submitted to the director of taxation  
29 upon forms furnished by the director and shall be accompanied by any  
30 additional documentation required by the director. The director shall  
31 review each claim and shall refund that amount of sales tax paid as  
32 determined under the provisions of this subsection. All refunds shall be  
33 paid from the sales tax refund fund upon warrants of the director of  
34 accounts and reports pursuant to vouchers approved by the director or the  
35 director's designee. The provisions of this subsection shall expire and have  
36 no effect on and after December 31, 2030;

37 (uuuu) (1) (A) all sales of equipment, machinery, software, ancillary  
38 components, appurtenances, accessories or other infrastructure purchased  
39 for use in the provision of communications services; and

40 (B) all services purchased by a provider in the provision of the  
41 communications service used in the repair, maintenance or installation in  
42 such communications service.

43 (2) As used in this subsection:

1 (A) "Communications service" means internet access service,  
2 telecommunications service, video service or any combination thereof.

3 (B) "Equipment, machinery, software, ancillary components,  
4 appurtenances, accessories or other infrastructure" includes, but is not  
5 limited to:

6 (i) Wires, cables, fiber, conduits, antennas, poles, switches, routers,  
7 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,  
8 transmitters, circuit cards, insulating and protective materials and cases,  
9 power equipment, backup power equipment, diagnostic equipment, storage  
10 devices, modems, cable modem termination systems and servers;

11 (ii) other general central office or headend equipment, such as  
12 channel cards, frames and cabinets;

13 (iii) equipment used in successor technologies, including items used  
14 to monitor, test, maintain, enable or facilitate qualifying equipment,  
15 machinery, software, ancillary components, appurtenances and  
16 accessories; and

17 (iv) other infrastructure that is used in whole or in part to provide  
18 communications services, including broadcasting, distributing, sending,  
19 receiving, storing, transmitting, retransmitting, amplifying, switching,  
20 providing connectivity for or routing communications services.

21 (C) "Internet access service" means the same as internet access as  
22 defined in section 1105 of the internet tax freedom act amendments of  
23 2007, public law 110-108.

24 (D) "Provider" means a person or entity that sells communications  
25 service, including an affiliate or subsidiary.

26 (E) "Telecommunications service" means the same as defined in  
27 K.S.A. 79-3602, and amendments thereto.

28 (F) "Video service" means the same as defined in K.S.A. 12-2022,  
29 and amendments thereto.

30 (3) The provisions of this subsection shall expire and have no effect  
31 on and after July 1, 2029;

32 (vvvv) (1) all sales of tangible personal property or services  
33 purchased by a contractor for the purpose of constructing, equipping,  
34 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
35 a building that is operated by, or is intended to be operated by, the Kansas  
36 fairgrounds foundation, a not-for-profit corporation exempt from federal  
37 income taxation pursuant to section 501(c)(3) of the federal internal  
38 revenue code of 1986, and located on the grounds of the Kansas state fair,  
39 and such tangible personal property would be exempt from taxation under  
40 the provisions of this paragraph if purchased directly by such eligible not-  
41 for-profit corporation. Nothing in this subsection shall be deemed to  
42 exempt the purchase of any construction machinery, equipment or tools  
43 used in the constructing, equipping, reconstructing, maintaining, repairing,

1 enlarging, furnishing or remodeling a building for such eligible not-for-  
2 profit corporation. When such eligible not-for-profit corporation contracts  
3 for the purpose of constructing, equipping, reconstructing, maintaining,  
4 repairing, enlarging, furnishing or remodeling a building, such corporation  
5 shall obtain from the state and furnish to the contractor an exemption  
6 certificate for the project involved, and such contractor may purchase  
7 materials for incorporation in such project. The contractor shall furnish the  
8 number of such certificate to all suppliers from whom such purchases are  
9 made, and such suppliers shall execute invoices covering such purchases  
10 bearing the number of such certificate. Upon completion of the project, the  
11 contractor shall furnish to such eligible not-for-profit corporation a sworn  
12 statement, on a form to be provided by the director of taxation, that all  
13 purchases so made were entitled to exemption under this subsection. All  
14 invoices shall be held by the contractor for a period of five years and shall  
15 be subject to audit by the director of taxation. If any materials purchased  
16 under such a certificate are found not to have been incorporated in the  
17 building or returned for credit, the contractor shall report and pay the sales  
18 or compensating tax to the director of taxation not later than the 20<sup>th</sup> day of  
19 the month following the close of the month in which it is determined that  
20 such materials will not be used for the purpose for which such certificate  
21 was issued. The eligible not-for-profit corporation concerned shall be  
22 liable for tax on all materials purchased for the project, and upon payment  
23 thereof, the eligible not-for-profit corporation may recover the same from  
24 the contractor together with reasonable attorney fees. Any contractor or  
25 any agent, employee or subcontractor thereof who shall use or otherwise  
26 dispose of any materials purchased under such a certificate for any purpose  
27 other than that for which such a certificate is issued without the payment  
28 of the sales or compensating tax otherwise imposed upon such materials  
29 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
30 subject to the penalties provided for in K.S.A. 79-3615(h), and  
31 amendments thereto.

32 (2) Sales tax paid on and after May 19, 2023, but prior to the effective  
33 date of this act upon the gross receipts received from any sale which would  
34 have been exempted by the provisions of this subsection had such sale  
35 occurred after the effective date of this act shall be refunded. Each claim  
36 for a sales tax refund shall be verified and submitted to the director of  
37 taxation upon forms furnished by the director and shall be accompanied by  
38 any additional documentation required by the director. The director shall  
39 review each claim and shall refund that amount of sales tax paid as  
40 determined under the provisions of this subsection. All refunds shall be  
41 paid from the sales tax refund fund upon warrants of the director of  
42 accounts and reports pursuant to vouchers approved by the director or the  
43 director's designee; ~~and~~

1 (www) (1) all sales of tangible personal property or services  
2 purchased by a pregnancy resource center or residential maternity facility.

3 (2) As used in this subsection, "pregnancy resource center" or  
4 "residential maternity facility" means an organization that is:

5 (A) Exempt from federal income taxation pursuant to section 501(c)  
6 (3) of the federal internal revenue code of 1986;

7 (B) a nonprofit organization organized under the laws of this state;  
8 and

9 (C) a pregnancy resource center or residential maternity facility that:

10 (i) Maintains a dedicated phone number for clients;

11 (ii) maintains in this state its primary physical office, clinic or  
12 residential home that is open for clients for a minimum of 20 hours per  
13 week, excluding state holidays;

14 (iii) offers services, at no cost to the client, for the express purpose of  
15 providing assistance to women in order to carry their pregnancy to term,  
16 encourage parenting or adoption, prevent abortion and promote healthy  
17 childbirth; and

18 (iv) utilizes trained healthcare providers, as defined by K.S.A. 2024  
19 Supp. 79-32,316, and amendments thereto, to perform any available  
20 medical procedures; and

21 *(xxxx) all sales of tangible personal property or services purchased*  
22 *for the purpose of and in conjunction with constructing, reconstructing,*  
23 *enlarging or remodeling a qualified data center by a qualified firm that*  
24 *meets the requirements established in sections 1 through 3, and*  
25 *amendments thereto, and has been approved and certified for a project*  
26 *exemption certificate by the secretary of commerce, the sale and*  
27 *installation of machinery and data center equipment and eligible data*  
28 *center costs purchased by such qualified firm for such qualified data*  
29 *center and labor services to install, apply, repair, service, alter or*  
30 *maintain data center equipment of such qualified firm at such qualified*  
31 *data center. When a person contracts for the construction, reconstruction,*  
32 *enlargement or remodeling of any such qualified data center, such person*  
33 *shall obtain from the state and furnish to the contractor an exemption*  
34 *certificate for the project involved, and the contractor may purchase*  
35 *materials, machinery and equipment for incorporation in such project.*  
36 *The contractor shall furnish the number of such certificates to all*  
37 *suppliers from whom such purchases are made, and such suppliers shall*  
38 *execute invoices covering such purchases bearing the number of such*  
39 *certificates. Upon completion of the project, the contractor shall furnish to*  
40 *the owner of the qualified firm a sworn statement, on a form to be*  
41 *provided by the director of taxation, that all purchases so made were*  
42 *entitled to exemption under this subsection. All invoices shall be held by*  
43 *the contractor for a period of five years and shall be subject to audit by*



1 *the director of taxation. Any contractor or any agent, employee or*  
2 *subcontractor thereof who shall use or otherwise dispose of any materials,*  
3 *machinery or equipment purchased under such a certificate for any*  
4 *purpose other than that for which such a certificate is issued without the*  
5 *payment of the sales or compensating tax otherwise imposed thereon shall*  
6 *be guilty of a misdemeanor and, upon conviction thereof, shall be subject*  
7 *to the penalties provided for in K.S.A. 79-3615(h), and amendments*  
8 *thereto. As used in this subsection, "data center equipment," "eligible data*  
9 *center costs," "qualified data center" and "qualified firm" mean the same*  
10 *as defined in section 1, and amendments thereto.*

11       Sec. 5. K.S.A. 2024 Supp. 79-3606 is hereby repealed.

12       Sec. 6. This act shall take effect and be in force from and after its  
13 publication in the statute book.